Building on strong relationships

Annual Report 2024

IntegraFin

At a glance

Our aim

Our aim is to be the number one provider of software and services for clients and UK financial advisers.

Our purpose

Our purpose is to make financial planning easier.

Our strategy

Our strategy is to deliver leading financial adviser software, personal service and value for money.

Our values

Our key value is to always do the right thing.

Our business

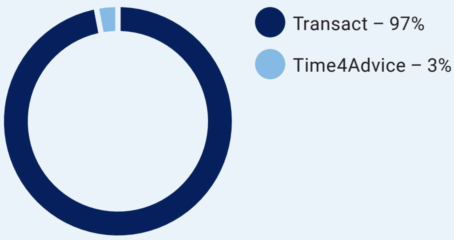
Transact is an award-winning investment platform offering our clients and UK financial advisers smart technology, unrivalled support and exceptional service for a modern, efficient way to manage client investment portfolios.

We provide a wide range of financial planning tools and comprehensive reporting, alongside an extensive range of investments and tax efficient wrappers to make the management of portfolios as easy and efficient as possible.

The goal of T4A is to enable UK financial advice firms to efficiently and durably grow. This is achieved by supporting these firms to effectively deliver and record financial plans for their saving and investment clients.

T4A provides best-in-class Microsoft-based client relationship management (CRM) software to UK financial advice firms. The CRM software is focused on delivering comprehensive functionality, leading integrations with Microsoft Office and third-party financial services tools and superior access to data.

Revenue breakdown



£64.1bn
Funds under direction

234,998
Platform clients

8,048
Advisers registered on platform

> "Compared to other providers I have previously used, I find Transact to be excellent and a superior service."
>
> Transact client

> "Every time I wish to do something (...) your staff are very efficient and professional. I am always impressed."
>
> Financial adviser

> "I have been an adviser recommending Transact from its inception and always found it to be the premier platform. I like the way it continually adds tools and improves the platform."
>
> Financial adviser

Highlights

Operational highlights

Year-end closing funds under direction (FUD)*
£64.1bn ↑ +17%
(2023: £55.0bn)

Average daily FUD*
£59.6bn ↑ +11%
(2023: £53.6bn)

Net inflows*
£2.5bn ↓ -7%
(2023: £2.7bn)

Platform clients*
234,998 ↑ +2%
(2023: 230,294)

Client retention*
94% ↓ -1%
(2023: 95%)

Advisers registered on the platform*
8,048 ↑ +5%
(2023: 7,683)

Financial highlights

Revenue
£144.9m ↑ +7%
(2023: £134.9m)

Reported profit before tax (PBT)
£68.9m ↑ +10%
(2023: £62.6m)

Underlying PBT*
£70.6m ↑ +12%
(2023: £63.0m)

Reported earnings per share (EPS)[1]
15.7p ↑ +4%
(2023: 15.1p)

Underlying EPS*[1]
16.2p ↑ +7%
(2023: 15.2p)

* Alternative performance measures (APMs).

APMs are financial measures which are not defined by IFRS. These have been indicated with an asterisk. They are used to provide better insight into the performance of the Group. Further details are provided in the glossary on pages 149-151.

1 Unless otherwise noted, 'Reported EPS' and 'Underlying EPS' refer to 'Reported diluted earnings per share' and 'Underlying diluted earnings per share', respectively.

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→ Learn more about IntegraFin at www.integrafin.co.uk

Chair's statement

Putting clients first

> "IHP is resolutely focused on making financial planning easier. The shared commitment our employees demonstrate to putting our clients first is instrumental to our success."
>
> **Richard Cranfield**
> Chair

Overview

I am pleased to introduce this year's Annual Report. IntegraFin Holdings plc Group (IHP or the 'Group') has delivered strong performance throughout FY24, with our investment platform, Transact, growing FUD to a record high of £64.1 billion as at 30 September 2024.

We remain focused on our underlying aim: to be the number one provider of software and services for clients and UK financial advisers. We have pursued this by maintaining best-in-class service levels and expanding the functionality of our investment platform. Industry surveys continue to show Transact as the highest ranked for client service and functionality amongst platforms with over £30 billion in assets.

This has resulted in net flows onto the platform of £2.5 billion, representing robust performance relative to the market, and growing our market share of net flows to c.25%. Over the financial year, advisers registered on the platform increased by 5% and client numbers by 2%. Time4Advice (T4A) continues to develop its CURO on Power Platform offering, which has seen it work effectively for c.400 users following its pilot with a major customer. Further rollout to existing and new clients will commence in the new financial year.

Our financial and operational performance has been solid, and our people have been instrumental in delivering a high-quality service. Alexander Scott comments on the results in more detail in his Chief Executive Officer's (CEO) Statement.

Developing our business

The digitalisation of the Transact platform continues, with the vast majority of instructions being completed online. The emphasis has now moved to our integrations programme, enabling a greater level of system-to-system connectivity across data, documentation and instructions. Further detail on our digitalisation strategy can be found in the Strategy and Business Model sections of this report on pages 8 to 11.

Sustainability and social issues, including diversity, equity and inclusion, are a growing focus for our business. Our first cohort of interns with the 10,000 Black Interns programme started in summer 2024 and all parties enjoyed the experience and look forward to repeating it again next year. We have also recently launched the RISE work experience programme, partnering with Kingston University, focusing on underprivileged students.

We have continued development of our sustainability strategy, led by Victoria Cochrane in her role as Designated Non-Executive Director for Environmental and Social Sustainability (ESS).

Highlights for the year include setting up a Sustainability Forum across the Group and increasing employee engagement on sustainability matters. Importantly, we have focused on improving the quality of Scope 3 data in order to set targets for emissions, and MSCI has released an updated ESG report for the Group upgrading the rating from BBB to A.

Supporting our people

This year saw our third annual engagement survey completed, with an increased participation. The results of this survey were encouraging, especially our progress in the areas of staff communication, workplace technology and remuneration. We were also pleased to receive accreditation from Women in Finance during the year, affirming our continued support for the progression of women into senior roles in financial services. Additionally, we developed our staff bonus scheme to greater reflect performance.

The IHP board

Euan Marshall joined as Group Chief Financial Officer (CFO) in January 2024; his background and experience have brought a valuable new perspective to our operational and strategic approach.

We announced earlier in the year that Christopher Munro, who had been a non-executive director on various Group boards since 2017, was to step down from the board of the Company at the end of September 2024; however, sadly he has had some serious health issues, which meant he accelerated his plans and retired as a director in July 2024. We are grateful for his input and expertise over the last seven years.

Jonathan Gunby, who joined the board when he became Transact CEO in January 2020, left the board in September 2024, whilst maintaining his full-time executive role as the Transact CEO. I'd like to thank Jonathan for his contribution to the board.

With Christopher Munro stepping down from the board, the Nomination Committee has undertaken a search for a new non-executive director. The committee will be recommending the appointment of a new non-executive director in due course.

Governance and culture

The UK Corporate Governance Code (the 'Code') applies to the Company; confirmation of how we have complied with the Code for the year under review is set out on page 52. From FY27, the new Code will apply to IntegraFin, and work is underway to ensure that the Company is prepared for the changes. The new UK Listing Rules came into effect on 7 July 2024 and whilst the impact on the Company is small, the board has been apprised of its obligations.

We take great care of our corporate culture and values, which are reflected both in our employee relations and in our interactions with clients, advisers and other key stakeholders. We believe our culture of putting clients first has been central to our compliance with the Consumer Duty. It is pleasing that we continue to rank so highly in adviser service research undertaken by Investment Trends and CoreData.

Following the publication of our FY23 results in December 2023 and FY24 interim results in May 2024, our Company Secretary, Helen Wakeford, and I offered meetings with our largest shareholders. We held 11 meetings with our largest investors, including six investors that we met twice. The meetings gave shareholders the opportunity to discuss topics of concern which we felt were constructive and transparent. We plan to continue open engagement with our stakeholders outside the boardroom and this forms a critical aspect of board-level activity.

We have rigorous Audit and Risk, Nomination and Remuneration Committees, which meet regularly to review and challenge in depth the work of the executive. This year we are recommending a new Remuneration Policy to our shareholders, details of which can be found in the Directors' Remuneration Report. In connection with that, we offered our top 15 shareholders, plus several others who had previously expressed interest, the opportunity to preview our overall planned approach by meeting with Rita Dhut as interim Remuneration Chair, Helen Wakeford and myself over the summer.

The Nomination Committee continues to oversee the composition of the boards and the pipeline of talent within the business, both to assure the quality of the succession into senior roles, and to support the delivery of our Diversity, Equity and Inclusion Policy. Full information on diversity at the board level can be found in the Nomination Committee Report on page 67.

Further detail on the activities of the Audit and Risk and Nomination Committees can be found in their respective reports.

On pages 20 and 21, we present our Section 172 (s.172) Statement, which sets out how we consider our key stakeholders in our decision making and the key decisions we have made throughout the financial year.

Remuneration

The Directors' Remuneration Report is set out on pages 68 to 94. As part of the normal 3-year cycle, we present a new Remuneration Policy which includes a new Combined Incentive Plan, with tighter pre-determined financial and non-financial measures and targets against our four anchors, including a significant portion on PBT, as well as increased deferral, a further 3-year underpin and holding periods, all as detailed in the Directors' Remuneration Report. We feel this balances a strong performance driven incentive for senior executives with the interests of shareholders and other stakeholders. We recommend shareholders to support this.

Dividend

In recognition of our financial performance, we have declared a second interim dividend of 7.2 pence per Ordinary Share. Together with our first interim dividend paid in June of 3.2 pence per Ordinary Share, this takes the total dividend to 10.4 pence per Ordinary Share.

Closing

I continue to remain enormously impressed by the professionalism and dedication of our employees. The shared commitment to putting our clients first is a core part of our DNA and differentiates us in the platform market.

The members of the board would again like to thank all our colleagues for the hard work that they have put in over the last financial year. These results, the published satisfaction surveys and our ranking within the platform sector are the product of their efforts.

Richard Cranfield
Chair
17 December 2024

Chief Executive Officer's statement

Delivering growth across the business

> "We have delivered strong financial and operational performance against an evolving market backdrop. The quality of our technology and service continue to drive new business growth."
>
> **Alexander Scott**
> Chief Executive Officer

Overview

I am pleased to report another year of strong financial and operational performance by the Group. We have achieved robust growth in our key metrics: client and adviser numbers, revenue and underlying PBT. Progress in these measures was supported by an increase in average daily FUD, driven by our net inflows and rising markets. The Group's value proposition continues to deliver positive outcomes for our clients, their financial advisers and our shareholders.

In the first half of our financial year, equity markets performed well with a beneficial impact on our FUD levels. However, across the industry, investment funds and adviser platforms alike experienced heightened outflows, continuing the trend seen towards the end of FY23. Nevertheless, Transact attracted among the highest net flows in the industry.

The second half of the year saw more moderate market movements and the first Bank of England interest rate cut since 2020. Net inflows also showed signs of growth compared to H1, with higher inflows and an improving macroeconomic picture as the financial year progressed, boosting flows.

T4A has also delivered over the year, increasing the number of CURO licence users and making progress with the development and initial rollout of CURO on Power Platform (CURO PP). However, anticipated financial performance has been behind the original expectation, due to complexities in the development and finalisation of CURO PP.

The combination of our key differentiators – proprietary technology and industry-leading, personal customer service – has again proven effective in allowing us to capitalise on the opportunities within the adviser platform market. Our focus remains, as always, on our purpose: to make financial planning easier for clients and their UK financial advisers.

Transact platform performance

Over the financial year, we have continued to grow the number of advisers and clients on the Transact platform, with steady increases throughout the period. Adviser numbers passed a significant milestone, now standing at 8,048, and client numbers are at 234,998. Our quality service remains the cornerstone of our platform and advisers continue to recognise this, with Transact winning multiple industry awards. This is emphasised further by achieving durable client retention of 94% for the year.

Gross inflows were strong during the year, and in Q2 we achieved our highest ever gross inflows figure for a single quarter at £2.3 billion. This is a testament to the ongoing capability of our platform technology and our industry-leading customer service which continues to win market share.

Partially offsetting this, gross outflows were elevated caused by an increase in the value of one-off withdrawals from the platform. This was driven by several factors, including the enduring impact of recent high inflation driving up nominal living costs and the higher interest rate environment increasing payments required on debts such as mortgages. As the year progressed, we started to see signs of outflows moderating, with H2 outflows slightly lower than in H1 FY24. With inflation now close to the Bank of England's target, we anticipate that some of the factors previously driving higher outflows will start to abate gradually in FY25.

This led to a robust performance in net flows which were the third highest in the market over the financial year, representing 25% of market net flows. Market movements also provided significant uplift to our FUD, especially in the first half of the year, helping us reach closing FUD of £64.1 billion. This is a new record for closing FUD, 17% ahead of FY23.

Financial performance

As a result of the increase in average daily FUD throughout the year, revenue has increased to £144.9 million, 7% ahead of FY23. At T4A, revenue was stable, with an improvement in the revenue mix. We are now generating a greater proportion of income earned from CURO licence fees (c.92% compared to c.83% in FY23), a more sustainable source of recurring revenue.

Underlying PBT, £70.6 million, and reported PBT, £68.9 million, have both increased in the past year, by 12% and 10% respectively. This has been driven by a combination of higher revenue and an increase in net interest income on corporate cash, largely due to higher interest earned on corporate cash balances. We also maintained our strong, debt-free balance sheet.

We remain committed to ensuring value for our clients and their financial advisers. We are thus proud that we were able to deliver record revenue and PBT, while also delivering value to our clients by removing the buy commission and wrapper fees for Junior ISAs within linked family groups.

Transact platform digitalisation

This year, we have continued our digitalisation programme, implementing digital enhancements to online wrapper application and bulk administration processes resulting in significant uplift in online adoption and a reduction in manual and paper processes. Key pension and ISA portfolio processes can now be completed online, with real time data validation. We have also expanded the implementation of straight-through processing. This continues to drive efficiencies for advisers and their back-office staff, as well as starting to deliver efficiencies for Transact platform operations.

A benefit of our proprietary platform technology is that we can maintain a regular cycle of monthly updates to our functionality. Every month, we deliver new functionality and improved efficiency in each update to the Transact platform. The streamlining of processes, enabled by these releases, helps deliver operational efficiency for both staff and the clients and advisers using the platform.

People

I was delighted to welcome Euan Marshall to the board in January 2024. Euan brings a breadth of experience that will be invaluable in driving and delivering our strategy over the coming years.

Average headcount was 6% higher during the year, including further additions to our IT and software functions. Existing and new employees have helped to enhance our service, as well as enabling our program of platform improvements and digitalisation. Our high-quality service and platform enhancements drive our robust net inflows, delivering organic growth.

The wellbeing of our people remains of the utmost importance to our business. We completed our third annual group engagement survey which indicated that our employees feel supported and aligned with our business' core values. For further detail of our commitments to our staff, please see the People and Culture section within Responsible Business, on pages 26 and 27.

Regulatory and sustainability matters

We operate in a changing regulatory environment and FY24 bore witness to several evolving developments. This was the first full year in which the FCA's Consumer Duty regulation was in force. Consumer Duty is not a one-off event but rather an ongoing commitment; as such, we continuously review our operations to ensure we are maximising positive consumer outcomes. We have always prioritised our clients' needs, and this value is at the heart of our culture.

In December 2023, the Financial Conduct Authority (FCA) issued its "Dear CEO" letter outlining its stance on taking a margin on client cash and calling on firms to cease the practice of double-dipping. Our approach to client cash has always been, and continues to be, to pass on the full value to our clients, in accordance with our customer-first principles.

Chief Executive Officer's statement continued

8,048
Advisers registered on platform

234,998
Platform clients

£64.1bn
Closing FUD

Outlook

Many of the headwinds that were present over the past year are showing signs of abating. Yet uncertainty remains, especially regarding the new government's policy agenda coupled with the impact of potential US policy changes on geopolitics and the global markets. The outlook on interest rates is also ambiguous, with inflation levels in the UK closer to the Bank of England's target, but cautious rhetoric on any further reductions. As such, we expect to see both the UK and US central banks slowly reduce interest rates during the coming year, helping to improve investor confidence and appetite to invest in equity markets.

Despite the level of uncertainty, the opportunities within the UK adviser platform sector remain strong. The long-term structural trends within the market look to provide compelling growth opportunities as customers seek to take greater control over their financial wellbeing and long-term savings and investments. The UK wealth management sector is expected to continue growing, driven by government emphasis on retirement security and an ageing, wealthier UK population. Consequently, over time, more investable assets will flow onto platforms.

Meanwhile, the Group's strength in both people and technological aspects, leave us well placed to capitalise on these trends. The flexibility enabled by our proprietary technology, our customer-first principles and personal, high-touch client service continues to serve the Group well. We continue to target the development of Application Programming Interface (API) integrations that will bring the most benefit to our advisers.

Next year, we will move to a new London office. We will seek to use this move to bring further efficiencies to our ways of working and to advance our sustainability goals, while also focusing on how changes to the working environment can benefit our staff.

As always, I would like to thank all my colleagues across the Group for their dedication. Their commitment to quality is essential to our success. I look forward to continuing to deliver on our principal aim: being the number one provider of software and services for clients and UK financial advisers.

Alexander Scott
Chief Executive Officer
17 December 2024

> **"The structural trends within the market provide compelling growth opportunities as customers seek to take greater control over their financial wellbeing and long-term savings and investments."**
>
> **Alexander Scott**
> Chief Executive Officer

Market overview

Uniquely well placed in a growth market

"Our target market continues to grow, with the quality of technology and personal service being important factors. IHP's ongoing focus on people and integrations helps us to further strengthen our market position."

Jonathan Gunby
Transact CEO

Target market

Our Group strategy focuses on delivering leading financial adviser software, personal service and value for money to enable great financial planning. Both Transact and T4A are committed to the UK financial adviser community and their shared customers. Transact's adviser platform market has grown steadily to £683 billion. We continue to see advisers transfer legacy life products, discretionary portfolios, direct to consumer investments and workplace pensions onto the platform. Meanwhile, T4A's back-office market remains a critical part of advice firm technology in a post-Consumer Duty environment.

Market dynamics

The financial adviser community continues to evolve. Based on latest 2023 FCA retail intermediary market data, the number of financial adviser firms reduced and the average size of adviser firms increased due to adviser consolidation. T4A has benefited from advice firm consolidation because its flexible software is particularly attractive to larger firms. Key consolidator advice firms which are clients of T4A acquire firms and mandate the use of T4A's CURO software after the acquisition.

Over the past 12–18 months, we are beginning to see the FCA's Consumer Duty shape the adviser landscape. Advisers have increased their focus on the provision and documentation of ongoing advice fees. Private equity consolidators are increasingly factoring in Consumer Duty to their due diligence process and valuations. Demand for in-house platforms has reduced but demand for more integrated adviser technology ecosystems continues to grow.

Transact has benefited from the increasing adviser focus on Consumer Duty topics such as cash interest, service levels, technology integrations and value for money. In addition, many advisers are prioritising more affluent and high net worth customers which aligns well to our platform differentiators. As a result of these trends, we have seen record numbers of advisers register to use the Transact platform over the past 12 months.

Macroeconomic conditions

Interest rates and the cost of living continues to impact the level of client withdrawals from the platform. We have seen an increase in size of regular withdrawals from pensions and bonds to meet these higher costs. There has also been an emerging trend of one-off withdrawals from other wrappers to support younger family members with large purchases such as houses.

Competitors

The competitive landscape is changing. Many existing competitors, for example platforms using third party technology vendors, are struggling to keep pace with adviser demand and regulatory change. We continue to see new entrants enter platform and back-office markets. In both segments new entrants have helped technology and process innovation. This innovation is good for the advisers and customers. We are embracing innovations around digitalisation and client communications. Our focus on developing a more integrated, API-enabled technology ecosystem also aligns to new entrant aspirations.

Market outlook

Our target market, platforms and back-offices used by financial advice firms, continues to grow. Fundscape, a specialist research firm, expects the adviser platform market to grow at 13% per annum from £707 billion at the end of 2024 to £995 billion in 5 years' time. These growth rates are underpinned by structural growth drivers. First, responsibility for retirement savings continues to shift from the UK Government (state pension) and employers (defined benefit) to individuals. Second, ongoing tax changes such as the removal of the Lifetime Allowance continue to drive demand for advice. Further tax changes can be expected with a new government. Finally, the focus on Consumer Duty outcomes across products and services, value for money, consumer understanding and consumer support will encourage advisers to place more assets on platforms over time.

Business model

Our business model ignites growth

Proprietary software and high-quality personal service

transact

Making financial planning easier

97%
Revenue
Paid for by clients

TIME4ADVICE

Enabling financial advice firms to grow

3%
Revenue
Paid for by financial advice firms

Transact's proposition for clients and UK financial advisers

Personal service

- A service model that makes it easy for advisers to build long-term relationships with our people
- The capacity and capability to understand advisers and tailor our services to their needs
- Ongoing investment in technology to enable our people and empower clients and advisers
- Access to experienced technical resources to advise on complex planning queries

Digital and integrations

- A vision around a much more integrated technology ecosystem for advisers
- An intuitive digital experience which reduces re-keying and errors for advisers
- An approach to client consent which protects and empowers advisers
- Proprietary software enables continuous website and API improvements

Responsible pricing

- A business model that treats new and existing customers fairly
- A pricing model that shares scale and efficiency benefits with our clients
- A desire to continuously review and simplify our pricing
- An approach which enables inter-generational financial planning

Consumer Duty aligned

- A proposition leader which continues to innovate and stay ahead of new entrants
- An approach to cash interest which is fair and transparent
- A service model which looks beyond averages to individual client outcomes

transact

234,998
Clients

8,048
Advisers

→ Discover more online at www.transact-online.co.uk

How we generate revenue

Annual platform charge 87%

Based on a fixed percentage applied to the value of a client's portfolio each month. Please note that some portfolios can be linked for discounts.

Wrapper fee income 9%

Based on a fixed quarterly charge for certain wrappers. Please note Junior Pension and ISA wrapper charges were removed from April 2024.

Other revenue 1%

Primarily stockbroker dealing charges that are passed on to clients.

What makes us different?

Leading functionality and proprietary software

Tax wrappers, investment solutions, reporting capability and APIs continually updated by our experienced in-house software developers.

Leading service

A leading service model for advisers and clients covering online, client and technical queries. Top rated by advisers in various industry surveys.

Value for money

A Consumer Duty aligned pricing model with a track record of sharing scale benefits with clients and simplifying our charges.

> **"Excellent service and I have a view of everything I need and also can produce my own reports which is fantastic."**
>
> **Transact client**

TIME 4 ADVICE

3,098
Users

→ Discover more online at www.time4advice.co.uk

How we generate revenue

Adviser back-office technology 3%

Licence income based on a fixed monthly charge per number of licenced users, comprising 92% of total revenue. Consultancy income is charged based on the services provided.

> **"CURO is the best wealth management CRM and back-office system out there."**
>
> **Managing Partner**
> Adviser firm

What makes us different?

Leading functionality

CURO software supports the entire financial advice process and enables firms to leverage the value of their data.

Leading integrations

T4A strategically collaborates with leading software partners to streamline processes, eliminate errors and save time through secure data sharing via Microsoft's Web API. Additionally, T4A plans to integrate CURO with the Transact platform to enhance efficiency for advice firms using both solutions.

Our strategy continues to deliver growth

The Group's purpose is to make financial planning easier for clients and financial advisers.

Our strategy is to deliver leading financial adviser software, personal service and value for money. As a result, our strategy has three strategic pillars: leading functionality, leading service and value for money.

Successful delivery of the strategy leads to a sustainable business allied with positive financial outcomes, including higher earnings, a strong balance sheet and high cash generation. This benefits a broad range of stakeholders including sharing the benefits of scale with our clients and supporting dividends to our shareholders.

Key to principal risks

1 Competition
2 Market
3 Capital
4 Liquidity
5 Service standard failure
6 People
7 Resilience
8 Information security
9 Regulatory
10 Financial crime

1 Leading functionality

The Transact investment platform leads the market on wrapper choice, client reporting, retirement income functionality and investment choice for advisers and clients. We are focusing on enabling adviser firm efficiency and experience through continuous investment in digitalisation and developing integrations with adviser tools.

The CURO back-office advice firm technology is designed and built to support advice firms with the entire advice process, with the latest version built on Microsoft technology.

FY24 progress

- Investment platform:
  - Digitalised a range of processes including bulk appointment of discretionary managers and change of client details online.
  - Implemented a wide range of additional integration services including a fee reconciliation API and new bulk reporting functionality.
- Back-office technology:
  - During the year a large advice firm client of T4A had been successfully using CURO on Power Platform (CURO PP). Additionally, the first successful migration of an existing large advice firm client to CURO PP was completed.

KPIs

- Average daily FUD
- Net inflows
- Number of platform clients
- Number of advisers registered on platform
- CURO licences

FY25 plans

- Investment platform:
  - Further development of iterative digitalisation of pension income and family linking processes.
  - Introduction of new integration services including account opening API and document sharing with third party systems.
- Back-office technology:
  - Ongoing rollout of the CURO PP platform.

Principal risks

1 6 10

2 Leading service

Our regional service model helps advisers and their support teams to build long-term relationships with our operational staff. This helps us to be more responsive, take more ownership and solve problems faster than other platforms.

FY24 progress

- Investment platform:
  - Appointment of transfer and technical specialists to regional teams to improve quality and communication on complex processes.
  - Iterative development of our transfers-in tracker to improve the visibility of transfer cases.
- Back-office technology:
  - Optimising CURO PP service and support.

KPIs

- Platform client retention rate

FY25 plans

- Investment platform:
  - Appointment of legal and compliance specialists on regional teams to improve response time on more complex queries.
  - Access to live chat for client-specific queries via regional service teams.

Principal risks

1 5 6 7 8 9 10

3 Value for money

We are competitive on price and lead on value for money, particularly with the inclusion of interest on client cash where we have always passed on 100% of interest earned to clients.

Advisers value the sustainability of our pricing, our profitability and our financial strength. This helps to differentiate us from unprofitable new entrants as well as many incumbent platforms.

FY24 progress

- Investment platform:
  - Elimination of buy commission for all clients and removal of Junior ISA wrapper fee charges, further simplifying the pricing structure and reducing fees.
  - Maintaining our approach of passing all interest earned on client cash balances to the client instead of taking a percentage of this interest.

KPIs

- Revenue
- Platform revenue margin
- PBT margin
- Profit before tax
- EPS

FY25 plans

- Investment platform:
  - Improvement in non-advised support services.
  - Ongoing improvements to management of client cash interest rates and term deposit providers.
  - Improvement in non-advised support services.
- Back-office technology:
  - Enhancing efficiency in deployment of the CURO software to our clients.

Principal risks

1 2 3 4 9 10

Key performance indicators

Tracking performance

Our operational and financial KPIs measure the performance of our business against our strategic objectives. Performance of these KPIs over the last three financial years is presented in the following charts.

Strategic pillars

1. Leading functionality
2. Leading service
3. Value for money

→ **See Strategy on pages 10 and 11**

OPERATIONAL

Average daily FUD* £59.6bn (+11%)

2024	**£59.6bn**
2023	£53.6bn
2022	£52.5bn

Why this is a KPI

- The value of assets that are held on the platform.
- Primary driver of the Group's revenue as it is the basis of the ad valorem annual charge.

2024 performance

Increased £6.0 billion (11%) during the year driven by full-year market movements of £6.6 billion and net inflows of £2.5 billion.

Strategic pillars

1

Net inflows* £2.5bn (-6%)

2024	**£2.5bn**
2023	£2.7bn
2022	£4.4bn

Why this is a KPI

- The value of assets that are transferred or deposited onto the platform less the value of assets transferred out or withdrawn from the platform.
- A core component of FUD growth and also demonstrates the ongoing appeal of the platform from advisers and clients and the Group's ability to continue to grow organically.

2024 performance

Net inflows of £2.5 billion which equated to 5% of opening FUD. Against a challenging backdrop of ongoing macroeconomic headwinds for our clients, where gross outflows have been elevated, this was a strong performance.

Strategic pillars

1

Platform clients* 234,998 (+2%)

2024	**234,998**
2023	230,294
2022	224,705

Why this is a KPI

- The number of fee-paying clients with funds on the platform at period end.
- An indicator of ongoing appeal of the platform proposition and a key driver of FUD growth and wrapper fee growth.

2024 performance

The number of clients on the platform has increased by 5k from the previous year. This is a 2% increase and consistent in absolute terms with the two previous years, demonstrating Transact's ability to continue to attract new clients.

Strategic pillars

1

Platform client retention* 94% (-1%)

2024	**94%**
2023	95%
2022	97%

Why this is a KPI

- The number of clients who have left the platform during the period divided by the number on the platform at the start of the period.
- An important measure of client satisfaction. It is also a driver of ongoing revenue, and we attribute our strong client retention levels to satisfaction with our service and offering.

2024 performance

Client retention declined by 1% from the previous year. In a market with elevated transfers, this represents strong performance and reflects the platform's quality.

Strategic pillars

2

Advisers registered on the platform* 8,048 (+5%)

2024	**8,048**
2023	7,683
2022	7,537

Why this is a KPI

- FCA-registered advisers using the Transact platform.
- Ongoing penetration of this channel provides the basis for future client and FUD growth.

2024 performance

Our adviser numbers rose by 5%, an increase of 365. This is larger than last year's increase in both percentage and absolute terms, indicating a strong pipeline for future flows.

Strategic pillars

1

* Our KPIs include alternative performance measures (APMs) which are indicated with an asterisk. APMs are financial measures which are not defined by IFRS.

OPERATIONAL

CURO licence users*
3,098 (+13%)

2024	**3,098**
2023	2,752
2022	2,253

Why this is a KPI
- Number of paying subscribers to the CURO software at the period end.
- Directly correlated to back-office revenue and market penetration.

2024 performance
CURO licences rose by 13% to 3,098 from 2,752. This represents robust performance, with the first move of an existing advice firm client to the new CURO PP.

Strategic pillars
1

FINANCIAL

Revenue
£144.9m (+7%)

2024	**£144.9m**
2023	£134.9m
2022	£133.6m

Why this is a KPI
- Total income generated from the Group's activities, including investment platform annual (ad valorem) charge, periodic wrapper fees, other income and software licence income.
- A core measure of financial growth of the Group.

2024 performance
Revenue grew by 7% in the year due to improving annual charge income as a result of higher average FUD, which more than offset reduced revenue resulting from the elimination of buy commission.

Strategic pillars
3

Platform revenue margin*
23.5bps (-3%)

2024	**23.5bps**
2023	24.3bps
2022	24.7bps

Why this is a KPI
- Total platform revenue measured as a percentage of the average FUD during the year.
- Demonstrates the ongoing focus on sharing value generation with our clients through reduction in revenue margin. Also a key comparison to competitors.

2024 performance
Reduction to 23.5bps during the year, driven by the elimination of buy commission during the financial year and the ongoing growth in individual client FUD reducing their net charges per £FUD.

Strategic pillars
3

PBT
£68.9m (+10%)

2024	**£68.9m**
2023	£62.6m
2022	£54.3m

Why this is a KPI
- Statutory profit generated by the Group before corporation tax.
- A measure of financial performance of the Group and demonstration of the ability to invest in the business, pay dividends and add to the capital base.

2024 performance
PBT rose by 10% during the year, ahead of revenue growth. A major contributor to this was net interest income earned on corporate cash which was higher due to the higher interest rate environment.

Strategic pillars
3

PBT margin*
48% (+4%)

2024	**48%**
2023	46%
2022	41%

Why this is a KPI
- PBT expressed as a percentage of revenue.
- A measurement of the operating efficiency of the Group's business.

2024 performance
The PBT margin improved by 4%, benefiting from the uplift provided by the higher net interest income in the year.

Strategic pillars
3

EPS
15.7p (+4%)

2024	**15.7p**
2023	15.1p
2022	13.3p

Why this is a KPI
- Profit after tax divided by number of shares in issue at period end.
- A measure of value being generated for our shareholders.

2024 performance
PBT improved on the previous year where increasing statutory PBT was offset by the higher effective tax rate as a result of higher UK corporation tax.

Strategic pillars
3

Stakeholder engagement

How we engaged

S.172 of the Companies Act (the 'Act') requires each director to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long-term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, clients and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company.

→ **See the Section 172 Statement on pages 20 and 21**

Considering stakeholders

The board's role in promoting the long-term success of the Group requires consideration of the balance of interests between all stakeholders – those being our clients and advisers, employees, regulators, shareholders, suppliers, and the community. Details of how the board has delivered its responsibilities under s.172(1) of the Act during the financial year are outlined on pages 20 and 21. In addition, our s.172 Statement outlines how the board has considered stakeholders in its principal decision-making processes.

The following table supports our s.172 Statement by setting out how we have engaged and considered our key stakeholders during the year, the outcomes and any highlights of such efforts.

Our clients and advisers

How we engage and consider our stakeholders

Transact

- Speaking/presenting to advisers and paraplanners at "Connect Day" regional "breakfast briefing" events, Personal Finance Society (PFS) and Chartered Institute for Securities & Investments (CISI) events and conferences across the UK.
- Working with our clients and advisers to gain feedback on common development requests from clients and advisers, in an effort to tailor and enhance our services and functionality.
- Monthly newsletter to adviser firms to provide updates and support on our platform offering.
- Team of Business Development Managers and Adviser Support Managers covering all of the UK and meeting advisers face to face and virtually.

T4A

- High-touch, pre-commitment engagement with prospective clients to ensure suitability between our software capability and the needs of the firm.
- Implementation consultants ensure that on-boarding service delivery is planned and effectively delivered to clients.
- Online training sessions to clients to increase their understanding and use of CURO software technology.

Outcomes and highlights

Transact

- Continual review of our products and pricing.
- Following feedback from clients, advisers and firms, we have made changes to our offering including:
  - addition of a second dealing point to reduce the time out of the market for fund switches;
  - release of "Family View" functionality;
  - reduction in paperwork – continued digitalisation of the platform;
  - launch of additional APIs – to improve integration between the platform and adviser back-office systems/client portals;
  - introduction of client consent via playback for specific platform processes; and
  - providing more information on how we manage client cash on the platform.

T4A

- Client feedback helps T4A to continually improve the training and information it provides to clients on the full range of functionality that CURO can provide.
- Clients are supported to extend specific elements of CURO software to best support the processes and services of the particular adviser firms.
- Client influence on product providers and platforms also helps drive up the availability of data feeds from these external parties such as valuations.

Our employees

How we engage and consider our stakeholders	Outcomes and highlights
■ Employee engagement and pulse surveys. ■ In-person town halls led by executive directors showcasing Group performance and delivering a business update. ■ Non-executive director meet and greet session with employees. ■ "Manager Converse" sessions with the non-executive directors are held during the year to give the non-executive directors a deeper understanding of the Group and generate interaction with managers beyond the executive. ■ Monthly Transact newsletters and bi-annual Group CEO email updates are distributed to employees.	■ A mentoring programme was rolled out to employees at the London office. ■ Menopause, mental health and LGBTQ+ forums were introduced. ■ The Group has received its Women in Finance accreditation. ■ We are continuing to evolve our Diversity, Equity and Inclusion strategy, policy and framework for the Group. ■ Employee participation in the 2024 employee survey was 75% and feedback indicated satisfaction with inclusivity, trust and confidence in leadership and communication. ■ All new managers were required to complete a mental health training session. ■ All managers were required to attend performance management training. ■ The London office held various initiatives to promote Black History Month, Mental Health Awareness Week, International Women's Day and Pride Month.

Stakeholder engagement continued

Our regulators

How we engage and consider our stakeholders	Outcomes and highlights
■ Regular and proactive interaction with the relevant Group regulators. ■ The subsidiary boards escalate regulatory issues to the IHP board. ■ In July 2024 Integrated Financial Arrangements Limited (IFAL) directors and senior management met the FCA to provide an overview of the business and discuss regulatory themes. ■ In May 2024, the Prudential Regulation Authority (PRA) updated its supervisory priorities for IntegraLife UK Limited (ILUK) and other life insurers and the compliance team is keeping these under review. ■ The IntegraLife International Limited (ILInt) board and Audit and Risk Committee (ARC) are regularly briefed on regulatory developments and expectations and FSA initiatives which during the year included an updated supervisory approach and feedback from a Politically Exposed Persons thematic review. ■ ILInt's managing director sits on the executive committee of the Isle of Man Insurance Association which meets quarterly with the FSA.	■ The IHP CEO provided regular updates at the IHP board and IHP ARC meetings on topics either discussed with, or that are important to the regulators (FCA, PRA and IoM FSA) during the year. ■ The boards and ARCs of IFAL and ILUK are regularly briefed on regulatory developments and expectations, including areas of interest to the FCA and PRA. This has included Consumer Duty, IFAL's Internal Capital Adequacy and Risk Assessment (ICARA), IT infrastructure, operational resilience, non-standard investments and permitted links. ■ All staff, UK executives and non-executive directors completed Consumer Duty training in July 2024. Also in July, the IFAL and ILUK boards approved the Principle 12 Report (a report providing information on customer outcomes, business strategy and areas requiring improvement), following review and guidance provided by Deloitte LLP. ■ Non-executive directors participated in, and contributed to, a session on the development of the Group's climate change strategy.

Our shareholders

How we engage and consider our stakeholders

- Institutional shareholder roadshows hosted by the CEO and CFO for half-year and year-end results.
- Ad hoc meetings with investors after key information updated to the market.
- In-person Annual General Meeting at our London headquarters with the Chair and all non-executive directors in attendance to take questions from shareholders.
- Proactive consultation by the board's Chair and the Company Secretary with major shareholders on various governance matters.
- We have presented our FY23 and HY24 results to analysts and investors in a live-streamed briefing by IHP's CEO and CFO, and Transact's CEO.
- We have delivered a programme of Investor Relations video meetings with potential investors in the US, the UK, Europe, South Africa, Canada and Australia.
- The CEO, CFO and Head of Investor Relations met with sales teams at investment banks.
- Regular and ad hoc meetings are held with equity analysts, as well as attendance at UK investor conferences.
- Engaged a design consultancy to support production of the Annual Report and Accounts.
- The Chair and Company Secretary met with the governance teams at major institutional investors to share thoughts on a range of topics including ESG, succession planning and remuneration.
- We have engaged directly with two of the top ESG rating agencies to communicate our commitment to sustainability.
- IHP's CEO, CFO and Head of Investor Relations have attended a range of face-to-face investor conferences in the UK.

Outcomes and highlights

- Following receipt of anonymous investor feedback, facilitated via the corporate brokers, we have tailored our communications to best address those issues that are of primary interest to shareholders.
- Better informed shareholders who have had an opportunity to field questions and from whom we can take feedback.
- We increased our rating from BBB to A with MSCI, one of the most prominent ratings agencies.
- Feedback from shareholders has, in part, contributed to the following outcomes:
  - we recruited Euan Marshall as Chief Financial Officer, who started in January 2024;
  - we are reviewing executive and senior management reward to ensure that their incentives are based upon our four anchors (pages 84 to 86) and focused towards sustainable growth of the Group over the long term;
  - the Remuneration Committee has been engaging with shareholders regarding the new Remuneration Policy, with amendments to the proposed Policy made as a direct result; and
  - we have enhanced IHP's website information and disclosures, including greater detail on our sustainability activities.
- Provided opportunities for analysts to ask questions directly to the IHP CEO and CFO.
- Raised the profile of the Company and helped communicate the Company's equity story to UK and overseas investors, broadening of the shareholder base and attracting new holders.
- Improved investors and analysts understanding of IHP's business model and strategy, as well as introducing Euan Marshall. In turn, this enhanced the relevance and accuracy of their research coverage, helped communicate Group performance to our shareholders in a clearer format and displayed data in a more legible way.

Stakeholder engagement continued

Our suppliers

How we engage and consider our stakeholders

- We do not seek to disadvantage, or compromise, suppliers with whom we conduct business, in line with one of our core principles of ethical behaviour.
- We remain focused on our efforts on supplier management as we continue to enhance our due diligence regarding cyber security and business resilience. We are working closely with Operational Resilience function to ensure all supplier testing is recorded and stored accurately.
- We are focusing on our sustainability strategy and are collaborating with suppliers to obtain key information.
- We remain focused on the correct onboarding of all new suppliers ensuring correct due diligence and contract reviews are carried out. This is managed by our dedicated supplier management manager.
- Information is shared with management and board committees where appropriate, in order to provide assurance regarding supplier selection and management of external and intra-group suppliers.

Outcomes and highlights

- We undertake health checks on suppliers, highlighting areas that need more information or where specific information is missing, giving the business full transparency of all suppliers.
- We require annual cyber attestations to be completed by our significant and material suppliers.
- We continue to focus on our business continuity plan and developing clear exit strategies for material outsourcing suppliers and significant suppliers.
- We are obtaining data and information from suppliers regarding carbon emissions, reduction targets and sustainability reporting.
- We endeavour to pay all suppliers within agreed payment terms.
- We work with suppliers to ensure no modern slavery or enforced labour exists in the supply chain. We include specific clauses in supplier contracts that their employees must be paid National Minimum Wage.

Our communities

How we engage and consider our stakeholders

- We provide staff with an opportunity to be involved in company-led charity initiatives and consider feedback on charity suggestions.
- The Designated Non-Executive Director for ESS is supporting the board and management in developing the Group's social strategy. She held her first Sustainability Forums across the Group this year.

Outcomes and highlights

- We partnered with the 10,000 Black Interns programme and welcomed six interns to our London office in summer 2024.
- We partnered with Kingston University again to provide their finance students from underprivileged backgrounds with the opportunity to complete work experience.
- We made a £5,500 donation to Mind after our employees completed a "get moving" challenge for Mental Health Awareness Week.

Section 172 statement

Our approach

Section 172(1) statement

Understanding the views and interests of our stakeholders helps the Group make responsible and balanced decisions. In doing so, we aim to generate long-term value for the Company's shareholders whilst contributing to wider society by building strong and lasting relationships with our other key stakeholders. For our key stakeholders, see those listed on pages 57.

You can read more about how we engage with and consider the needs of our key stakeholders on pages 14 to 18 of the Strategic Report.

Long-term consequences of decisions

IHP Group's strategic objectives are stated on pages 10 and 11. The Group's implementation of its strategy and our assessment of forward-looking risks affecting its delivery in the future are set out within the strategic objectives. The directors make strategic decisions on future direction, investment and stakeholder value based on the clear, sustainable, long-term objectives.

By successfully achieving strategic objectives, which result in the ongoing and increased success of the offering, the directors are able to take decisions which share the Group's success with its key stakeholders.

Interests of our employees

We value our people. They are the core of our high-quality service delivery to our clients and advisers, so our employees' wellbeing is paramount to the business's long-term sustainable success. Details on employee wellbeing and the culture of the Group are outlined in the Responsible Business section on pages 26 to 27. In addition, the Directors' Remuneration Report on pages 68 to 94 sets out the Group's approach to remuneration which is intended to ensure equitable remuneration across the Group and which improves value for employees.

Fostering business relationships

The Group's business model and strategic objectives are set out on pages 8 to 11 and make clear the focus of the business on delivering high-quality service to clients and advisers through investment in infrastructure and employees. An integral part of our service offering is the provision of regular relationship management to clients and advisers as they are our target market.

Fostering good relationships with our suppliers is an important factor in ensuring we can continue to service our clients and advisers effectively. To help embed good supplier management processes, we engage regularly with our suppliers and ensure ongoing relationship management throughout the term of engagement. We also endeavour to pay suppliers within payment terms and do not seek to disadvantage or compromise suppliers with whom we do business.

Impact on the community and the environment

The directors recognise that we have both a corporate and ethical responsibility to minimise the impact of the Group's business conduct on the environment and community; this is considered during any principal decision-making processes by the board.

The Task Force on Climate-related Financial Disclosures (TCFD) section on pages 33 to 37 and the Responsible Business section on pages 30 to 32 set out the impact of our operations on the environment and outline our community activities that occurred during the year.

High standards of business conduct

The directors recognise that our service is only as good as the technology and people behind it and that the Group's reputation is built on high standards of business conduct which must be maintained in order for the business to thrive and grow. The board supports the CEO in embedding a culture that encourages employees to act with integrity and to "do the right thing", in line with the Group's values.

The Group maintains a number of policies governing employee conduct. These are covered in detail in the People and culture section on page 29.

The directors also recognise that as the business is regulated by three separate regulators, as detailed on page 16, maintaining strong, open and productive relationships with the respective regulators is also business critical.

Acting fairly between shareholders

All shareholders are treated equally, with information being made available to all shareholders in a consistent manner. The board, supported by the Chair and CEO, actively engages with the Group's largest shareholders regularly and feedback received is shared with the entire board.

Measuring performance against strategic objectives

Performance against the Company's strategy, objectives, business plans and budgets is considered at each board meeting. Working in co-ordination with the Audit and Risk Committee, the board maintains oversight of the Company's operations and ensures the Company fulfils its business objectives.

Principal decisions and consideration of stakeholder interests

The table below summarises how the board and the wider Group have had regard to the duties under Section 172(1) when considering specific matters during the year.

Principal decision	Stakeholders impacted	Our considerations
Price reductions for the Transact investment platform	Clients and advisers Shareholders Regulators	In December 2023, the IHP board again considered the impact of price reductions approved by IFAL, IntegraLife UK Limited (ILUK) and IntegraLife International Limited (ILInt) for Transact, furthering the simplification of our fee model and increasing transparency and accessibility. As part of this process, the impacts on Company profitability and, therefore, shareholder value, were assessed. This decision was in line with the Group's strategic objectives to benefit advisers and clients by reducing costs to clients. The simplification is also expected to attract new flows to Transact as the new model promotes the accessibility of financial products to a wider community, which ultimately supports the long-term sustainability of the business. A capital and liquidity risk assessment was undertaken to ensure the Group's regulated entities continue to have sufficient capital to cover their respective solvency and liquidity risk appetites.
Climate targets	Clients and advisers Employees Shareholders Regulators Communities Suppliers	In December 2023, the IHP board reviewed an update on carbon emission reduction targets and the climate-related scenario assessments relevant to the IHP Group. The board's expectation was to align the targets with best practice and the SBTi Net Zero Standard framework and guidelines, and it was therefore agreed that the base year be restated to FY22 as this was the most recent year for which data was available. Additionally, the board agreed a significant new target to reduce absolute Scope 1 and Scope 2 emissions by 60% by the end of FY33.
Move to a new London office location	Employees Shareholders Communities	The Group has agreed to move from its current offices to a new, more modern location which will provide a positive working space for our people, reflect changes in our working patterns and help to support our sustainability agenda by moving to a more energy efficient office.
Remuneration Policy review	Clients and advisers Shareholders Employees Regulators	Following engagement with our shareholders, a revised Remuneration Policy has been proposed. Please see pages 68 to 94 for the full Directors' Remuneration Report. We believe our approach to performance measurement supports appropriate consideration of risk management and a long-term view of the business based on sustainable growth, supports the Company's strategic objectives and is designed to be responsible, inclusive and aligned with stakeholder interests.
IFAL capitalisation	Clients and advisers Shareholders Employees Regulators	As part of the Group's management of internal capital, during the year IHP considered an additional investment into IFAL. The purpose of this investment was to effectively manage capital balances across the Group, including for funding, liquidity, and regulatory requirements, which then enable the continued delivery by the Group of high standards of operations and service for our clients and their advisers. As a result, IHP made an additional investment into IFAL of £15 million.

Responsible business

Creating a more responsible business

“We recognise and embrace the positive impact we can have by being a responsible business and the benefits it can bring for our people and local and wider communities, as well as the Group.”

Victoria Cochrane
Designated Group Non-Executive Director for ESS

IHP is committed to conducting business in a responsible manner, striving to minimise our environmental footprint and contributing positively towards long-term sustainable outcomes for stakeholders.

To help us focus on what we can do, like many companies, we are aligning our efforts with the United Nation’s Sustainable Development Goals (UN SDGs). These are a set of goals and targets designed to improve socio-economic and environmental conditions around the world.

Our Group values are centred around **doing the right thing**, and not just for our customers and advisers, but also our staff, shareholders, suppliers and the wider community.

By embracing sustainability and aligning our actions and goals with the UN SDGs we are ensuring that we are doing the right thing for all these stakeholders.

Materiality approach to sustainability

We aim to consider issues which matter most to our Group and which impact our stakeholders.

In 2024 we conducted a materiality assessment to inform our sustainability agenda and reporting. We used a risk-based approach to identify the most important sustainability topics to our business and stakeholders, including our staff, advisers, suppliers and investors, as well as the expectations from the regulators. The material topics identified can be seen on page 25.

Responsible business dashboard

People

Who it impacts

Employees, clients and advisers and shareholders.

Why is it important

Our employees are our priority. Promoting a supportive and inclusive culture, where employees feel valued and provided with the opportunity to succeed, will enable us to continue to be successful.

Material issues and UN SDGs

Staff engagement and culture

Health & safety, wellbeing

Skills development

Diversity, equity and inclusion

Progress

- Provided all employees with the opportunity to partake in a hybrid working model.
- Enhanced our family friendly leave and pay.
- Obtained accreditations for London Living Wage and Women in Finance.
- Established mental health, menopause and LGBTQ+ forums.
- Created an engagement strategy in conjunction with the designated non-executive director for engagement.

Future priorities

- Continuing to evolve a DE&I strategy.
- Reviewing our benefits package to ensure that it continues to promote and support the health and wellbeing of our employees.
- Continue working towards achieving our gender diversity target of our senior management cohort, in accordance with the pledge we made when we signed up to the Women in Finance charter.

→ See People and Culture on pages 26 and 27

Community

Who it impacts

Employees, local communities, shareholders.

Why is it important

Supporting our community is of great importance to us and we take our responsibility seriously. We have and will continue to take steps to make a positive contribution in this area.

Material issues and UN SDGs

Stakeholder management and communities

Progress

- Partnered with Kingston University to provide underprivileged students on their RISE programme with the opportunity to complete work experience.
- Partnered with the 10,000 Black Interns programme to provide students or recent graduates with the opportunity to complete our internship programme.
- Supported causes throughout the year, such as Mental Health Awareness Week and Black History Month.

Future priorities

- Ensuring that our "social" support is incorporated into the sustainability strategy.
- Looking at how we can donate surplus IT equipment to universities we partner with and/or charities.
- Exploring ways we can further support our community through activities such as volunteering.

→ See Community on pages 28 and 29

Environmental

Who it impacts

Clients and advisers, employees, suppliers, local and the wider community.

Why is it important

Climate change is already having a devastating effect on parts of the world, from extreme weather events to the degradation of nature.

We recognise that we have a responsibility to take appropriate action to help combat climate change.

Material issues and UN SDGs

Energy and decarbonisation

Managing our environmental performance

Climate change

Progress

- Established a Sustainability Forum.
- Sustainability criteria included in new London office selection process.
- Included a climate-related risk on the corporate risk register.
- Performed a materiality assessment of sustainability issues.
- Our London office now uses 100% renewable electricity and gas.
- Conducted a supplier engagement programme.
- Held an open discussion for employees on sustainability issues.

Future priorities

- Developing a sustainability strategy to focus our efforts in a directed way.
- Looking at how we can use our influence to reduce our Scope 3 emissions.
- Embedding sustainability considerations into our supplier selection and review process.
- Drafting a transition plan to meet our net zero goal.

→ See Environmental Matters and Climate Change on pages 30 to 32

Responsible business continued

Governance

The board has overseen progress of the sustainability programme over the course of the year through quarterly updates and recognises that the Group has both a corporate and ethical responsibility to minimise the impact of the business on the environment.

To ensure oversight, the board has assigned Victoria Cochrane as Designated Non-Executive Director to oversee the environmental and social sustainability (ESS) agenda, and Rita Dhut as Designated Non-Executive Director for Employee Engagement.

In 2024, the Sustainability Forum, a cross-departmental working group comprising members of the management team from across the Group, was established. The Forum supports the CEO and Executive Committee team in delivering the wider Group sustainability plans and initiatives and embedding a climate-aware Group culture. The Forum, with the assistance of the Sustainability Manager, project manages the TCFD and environmental matters reporting process.

As per the requirements of the PRA's Supervisory Statement SS3/19, Euan Marshall, the Group's Chief Financial Officer, is the senior management function holder responsible for identifying and managing financial risks from climate change.

IHP board

The board provides leadership, setting the Group strategy, and is accountable for the long-term sustainability of the Group. The board assigned a designated non-executive director, Victoria Cochrane, to oversee our ESS agenda.

Remuneration Committee (RemCo)

RemCo supports executive accountability by linking deliverables with remuneration. TCFD and ESS targets were reviewed in 2024.

Chief Executive Officer

The CEO, in conjunction with the board, defines the strategy, values and culture of the Group. The CEO sets the leadership tone and leads the senior leadership team in delivering the Group strategy and achievement of business targets. This includes responsibility for ensuring climate change risks are embedded into the Group's sustainable business plans.

Audit and Risk Committee (ARC)

The ARC is responsible for oversight of risks to the business including those arising from climate-related scenarios. The ARC has responsibility for monitoring the quality of reporting of the Group's GHG emissions and future decarbonisation targets within the TCFD disclosure.

IHP Executive Committee (ExCo)

The IHP ExCo applies the business plans to its business operations In support of the CEO. It is responsible for business risk identification, including climate-related change and scenario risk and opportunities assessments. It is responsible for embedding actions into its business plans, and support emissions data gathering and delivering against targets.

Sustainability Forum

The Sustainability Forum, comprising members of the Group's management team, is responsible for supporting and driving the implementation of the broader sustainability agenda.

Materiality assessment

We recognise that in order to have a cohesive strategy and establish where to focus our activities to be more sustainable we need to understand our current position. Therefore, during FY24 we conducted a materiality exercise to understand our material issues.

The broad definition for sustainability has been used, incorporating environmental, social and community, and governance (ESG) responsibilities and impacts.

The 2020 GRI Standard requirements were used as the best practice approach to conducting ESG materiality exercises. This involved engaging internal and external stakeholders, such as employees, suppliers and investors, and reviewing a broad range of issues, current and future trends, current known and unknown responsibilities, and impacts on and from the business from multiple perspectives.

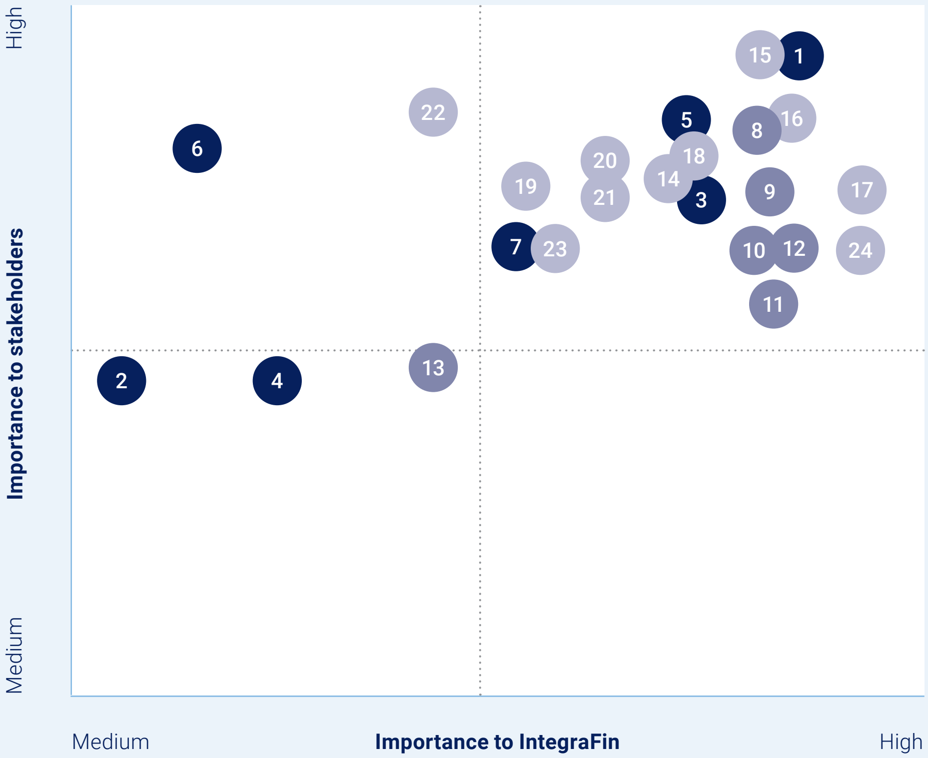
The review included three assessments:

- **Initial identification of issues** – A review of current regulatory and legal responsibilities, IntegraFin's activities, and management of known impacts on a range of stakeholders, communities, and the environment was undertaken. Internal interviews, desk research, analysis of documentation and existing stakeholder engagement insights and stakeholder impact research were conducted.

- **Validation and confirmation of the list** – Insights were gained by interviewing external stakeholders, conducting a mid/long-term mega-trend impact analysis, and completing a peer review. The findings were incorporated into the list of material issues from the ESG perspective.
- **Analysis and prioritisation** – The resulting list of material issues was reviewed by IntegraFin's internal steering group, which was set up to help develop the sustainability strategy, to establish priority by importance to stakeholders and importance to IntegraFin's success.

This created the materiality matrix below. Typically, the issues in the top right-hand quadrant are identified as priorities and will underpin the development of a sustainability strategy over the coming year. Several issues that are of more importance to stakeholders than to the Group are those for which we believe our corporate operations have a limited impact.

2024 IntegraFin material sustainability issues



Environment related
1 Energy and decarbonisation
2 Water management
3 Managing our environmental performance
4 Waste and resource management
5 Climate change
6 Biodiversity
7 Sustainable supply chain management

Society and people related
8 Diversity, equity and inclusion
9 Skills development
10 Talent acquisition and retention
11 Health and safety, wellbeing
12 Staff engagement and culture
13 Fair supply chain

Governance related
14 Corporate purpose
15 Business strategy
16 Corporate ethics, values and behaviours
17 Board leadership
18 Group and ESG governance
19 Responsible communication and market engagement
20 Stakeholder management and communities
21 Product governance and digitalisation
22 Proactive compliance
23 Responsible risk management
24 Client responsibility

How sustainability is embedded in our organisation

Business function	Consideration
HR	Develops a people strategy that focuses on attracting and retaining talent and the evolution of our collaborative and inclusive culture. Conducts annual employee survey including questions on sustainability.
Sustainability	Performs employee and supplier engagement on sustainability matters. Performs an anti-greenwashing review of the Group's promotional materials. Records Group carbon emissions and monitors against target.
Sales Support and Client Operations	Liaises with clients and their advisers to consider sustainability expectations.
Facilities	Monitors and manages our buildings' exposure to climate-related risks. Measures and manages operational energy use.
Supplier Management	Considers resiliency of suppliers against potential climate-related risks.
IT	Sustainability considerations are embedded in the delivery and ongoing management of technology change.
Group Internal Audit	Periodic review of documentation of climate-related risks and compliance with TCFD recommendations.
Compliance	Ensures the Group meets climate-related standards and obligations.
Finance	Considers the potential financial impacts of climate-related risks.
Investor Relations	Liaises with investors on sustainability matters including inviting them to participate with their views on sustainability enhancements.
Group Risk Management	Embedding climate-related risks into our risk management framework (RMF) and reflecting the risks and impacts of climate-related changes within the Group's regulated entities ICARA and Own Risk and Solvency Assessment (ORSA) processes.
T4A	Operational emphasis on recycling and digitalising internal processes.
ILInt	Actively trying to reduce waste in the office by reducing printing volumes and pushing for recycling facilities for the whole building.
IAD	Focuses on digitalisation of Transact process to improve efficiency and reduce reliance on paper. Adopts a similar mindset for own operations.
London Office Move Project Team	Maintains a focus on, as a minimum, adhering to best practice energy efficiency standards for the next London office building.

Responsible business continued

People and culture

Our people have always been, and continue to be, our top priority.

This year we have been focused on maintaining an engaged workforce. Our people strategy has been primarily engaged in the attraction and retention of talent and continued evolution of our collaborative and inclusive culture. We have worked to achieve this by:

- introducing a performance related bonus framework, which recognises and rewards high talent;
- supporting our community by partnering with the 10,000 Black Interns programme and the RISE programme at Kingston University;
- running a performance management training programme for all managers;
- implementing a mentoring framework to support the creation of a diverse talent pipeline; and
- introducing our first LGBTQ+, menopause and mental health first aid employee forums.

The board has continued to support the engagement framework and work has continued to ensure the activities within this framework have been implemented. This year, the activities have focused on evolving communication across the Group, embedding culture in all people practices and recognising and rewarding high talent.

We will further develop and deepen these activities in 2025.

Looking forward, we are committed to maintaining our healthy culture, which is focused on ensuring our employees are engaged, motivated, and committed to supporting the Group in achieving its goals. We are proud of our employees and our culture which is fully aligned with promoting the future success of the business.

"IntegraFin continues to maintain an engaged and motivated workforce. This healthy culture underpins our success as a business upon which we aim to build in the coming year."

Rita Dhut
Designated Non-Executive Director for Employee Engagement

FY24 highlights

- Introduced a performance related bonus framework.
- Ran a performance management training programme for all managers.
- Partnered with Kingston University to provide work experience to students on their RISE programme.
- Partnered with the 10,000 Black Interns programme and welcomed six interns in June 2024.
- Carried out our third annual engagement survey.
- Introduced LGBTQ+, menopause and mental health employee forums.
- Introduced a mentoring framework to support the creation of a diverse talent pipeline.
- Enhanced our Shared Parental Leave Policy to support working parents.
- Set diversity targets as part of our Woman in Finance accreditation.

FY25 priorities

- Continue to enhance employee engagement and motivation.
- Progress against Women in Finance targets.
- Support employee-driven sustainability initiatives.
- Support our community.
- Progress our diversity, equity and inclusion initiatives.

People engagement

Engagement survey

The ongoing engagement of our employees is of primary importance as we know that they are at the centre of our success. We held our third annual Group engagement survey this year, which enabled us to measure the progress we have made, see what we are doing well and identify further opportunities for improvement.

The survey comprised ten sections this year: role, training and development, leadership, reward and recognition, wellbeing, inclusion, communication, our customers, our company and sustainability. We were very pleased to see a 13% increase in our response rate this year and with the ongoing high levels of engagement in most areas. The highest engagement scores were in relation to customer experience (96%), our values being aligned to the way we do business (96%), communication (93%), inclusion (92%) and trust and respect in leadership (90%).

This year we included a new section on sustainability in our survey, to measure the importance our employees place on this topic and to measure how much they know about the Group's activity in this area. We were pleased to understand that 86% of respondents feel that it is important the Group does what it can to address climate change and sustainability issues. The results of the survey highlighted that employees would like a better understanding of what the Group is doing to address climate change and sustainability issues and this will be a key focus over the next year.

We will continue to create localised action plans for each subsidiary company as this has been a successful approach and has best engaged our employees.

Health and wellbeing

We understand that the health and wellbeing of our employees is of primary importance. This year we have continued to encourage a culture of openness and the breaking down of stigmas, so employees can be open and honest about how they are feeling.

We have introduced a Menopause Forum. This creates the space for open conversations and encourages conversation about what the Company can do to support those experiencing the menopause or employees who are supporting someone who is.

We have continued to promote mental fitness within the Group. All managers at our London office continue to be enrolled on to mental health awareness training, which is delivered by an external expert provider. Ensuring all of our employees have the opportunity to attend a similar training session, with the same expert provider and on the same topic reinforces to our employees the importance we place on inward introspection to remain healthy.

This year we celebrated mental health awareness week by encouraging our employees to focus on movement in nature to support their mental health. All employees in the Group were invited to take part in a movement challenge, to raise money for Mind. Our employees covered 2,785 miles and the Company made a £5,500 donation on their behalf.

These initiatives are complemented by a suite of non-salary benefits for employees and their families to utilise. All employees and their families are able to join our company-funded medical insurance schemes from their first day of employment. They also have access to a digital healthcare service in order to book GP and physiotherapy appointments.

Additionally, all have direct access to our employee assistance programme, which is a confidential service offering professional help and support on a wide range of domestic concerns.

We understand the importance of ongoing support and education in these areas and will continue to evolve these practices over the next year.

Internal communications

Our senior managers understand the importance of ongoing, effective communication with employees as this supports our culture and ensures employee alignment with our strategy and values. This year we have further enhanced the communications across the Group and we were pleased to see this reflected in our employee engagement scores.

Alexander Scott, Euan Marshall and Jonathan Gunby have provided in-person company updates to all employees across the Group on financial results and the business strategy. Attendees were invited to ask questions and engage in discussion.

This year the non-executive directors also hosted a meet and greet after the AGM at our London office, which all employees were invited to attend. This was an opportunity to further enhance the feedback loop between the board and employees and provided employees with the opportunity to better understand the role of a non-executive director and their responsibilities.

Our non-executive directors have continued to host regular “Manager Converse” sessions with members of the senior management team. This Forum allows the senior managers to provide an update on key departmental issues, future plans and team environment. These meetings are invaluable as they provide the non-executive directors with insight into the culture and operational detail of the business in a structured format.

Talent management

A key component of our people strategy is the attraction and retention of talent, and we understand that employee development is an important tool to do so. This year we have worked to deliver our training and development strategy which has comprised performance management training for managers, mental health training for managers and employees and a suite of regulatory training to ensure our employees are competent to deliver the best service to our customers.

We have taken further steps to evolve our talent maps and succession plans, bolstering our robustness for the future. Talent maps are in place for all employees and technical competence, conduct and behaviours are all considered in the assessment of an employee’s talent profile. Our succession planning processes have also deepened. We have robust succession plans in place for all senior managers, with identified successors and development plans. Over the next year we will continue to roll out these plans across the business and support all identified successors in their training and development.

To support our talent over the next year we intend to embed our mentoring programmes and succession planning across the Company. This will re-enforce our intention to further diversify our talent pipeline to drive the business in its future success.

Diversity, equity and inclusion (DE&I)

We pride ourselves on creating a diverse and inclusive culture which provides all employees with equity of opportunity. We operate on the principle that greater diversity and experience within our business will deliver the greatest success.

There are already a number of people practices in place enabling the Group to treat all its employees and potential employees fairly and equitably. All of these are underpinned by our Equal Opportunities Policy, which is regularly reviewed to ensure we meet our DE&I goals.

To demonstrate the value we place on working parents, we have built on the changes we made to our maternity and paternity pay offering last year by strengthening our shared parental leave pay offering this year.

As part of our Women in Finance accreditation we have set a target to create a strong talent pipeline of females across the workforce, through improved activity and succession planning, mentoring programmes, training and career development and enhanced recruitment practices. This will be supported by the achievement of a 45% female representation on our senior management team by 2027.

It remains important to us that we provide all employees with a voice and the opportunity to be their authentic selves whilst at work. This year we have supported many causes including Black History Month, Mental Health Awareness Week, International Women’s Day and Pride Month. We also introduced a new LGBTQ+ forum.

Responsible business continued

Community

In a new initiative for the Group, this year we partnered with the 10,000 Black Interns programme to provide six individuals with the opportunity to complete an internship programme at our London office.

This year we re-commenced our partnership with Kingston University to provide some of their finance students from underprivileged backgrounds with the opportunity to complete work experience at our London office. The second cohort of work experience students joined us in September 2024 and the students were able to obtain experience of working within several of our departments.

Over the next year we will enhance our community support and the evolution of our social strategy.

Our workforce

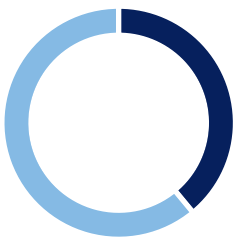
Our workforce is located in the UK, Australia and the Isle of Man. The headcount per subsidiary company, as at 30 September 2024, is as follows:

Group headcount

IntegraFin Services Limited	**480**
IntegraLife International Limited	**10**
Time4Advice Ltd	**53**
IAD – (UK and Australia)	**123**
Total Group headcount	**666**

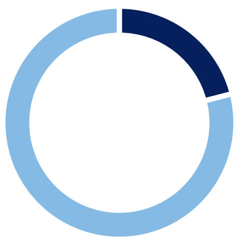
The following charts detail the gender ratio at each of the Group's subsidiary companies who employ staff. These ratios are accurate as at September 2024.

ISL – Employee gender ratio



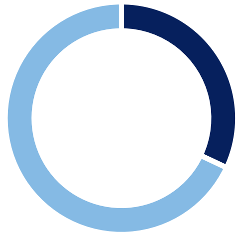
Female – 39%
Male – 61%

IAD – Employee gender ratio



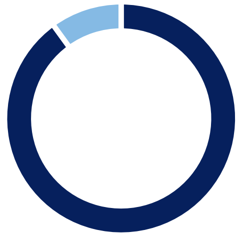
Female – 21%
Male – 79%

T4A – Employee gender ratio



Female – 32%
Male – 68%

ILInt – Employee gender ratio



Female – 90%
Male – 10%

Gender pay gap

IntegraFin Services Limited (ISL), one of our Group subsidiaries, is required to publish its gender pay gap information on an annual basis. These results have always compared favourably to other companies in our sector.

Mean gender pay gap including bonus	Year	Median gender pay gap including bonus
13%	2019	5%
14%	2020	9%
10%	2021	4%
18%	2022	4%
17%	**2023**	8%

We are pleased to see that the mean pay gap had decreased this year as this further evidences that our overall pay structure remains fair and equitable. It is acknowledged that there has been an increase in the median (midpoint) gender pay gap this year. This is due to the following:

- a greater proportion of females working on a part-time basis in the middle quartiles, and their pay being pro-rated accordingly. If the full-time equivalent salaries were used within this calculation the gap would reduce to 2.75%;
- fewer senior male employees taking advantage of the opportunity to work flexible working hours;
- senior female employees being on maternity leave as at the snapshot date and therefore, they could not be included within our data; and
- the impact of senior females being on maternity leave having a disproportionate effect when compared to males on paternity leave.

We keep our pay and benefits structure under review to ensure our salaries are equitable when compared to internal peers and the external market. We will not exclusively advantage females but will continue to remove any actual or perceived barriers female employees could be more likely to face than their male colleagues. The changes we have made to our Shared Parental Leave Policy this year support these objectives and we hope that this change will help to close the gap further.

Diversity data

The Group employs 666 employees, and 5 non-executive directors are officers of the Company. The breakdown of our people by gender, as at September 2024, was as follows:

	Male		Female	
		%		%
IHP board directors	6	67	3	33
Senior managers	5	50	5	50
Direct reports	23	59	16	41
All other employees	392	64	221	36
Total	**426**		**245**	

Senior managers are members of the IHP Executive Committee who are not on the IHP board. Direct reports report into either an IHP board director of a senior manager.

Ethical standards

The Group is committed to a high standard of governance, ethical and moral standing. Our core value of “doing the right thing” underpins all our operational practices and informs our employees’ conduct. This is formalised in our internal policies which are made available to all employees on our intranet. We require our employees to undertake regular, mandatory training to ensure awareness and understanding of their provisions. Our ethical standards are comprised primarily of the policies that govern employee conduct, including the Equal Opportunities Policy, Anti-Harassment and Bullying Policy, Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy.

Anti-bribery and corruption

The Group has a zero-tolerance approach to financial crime to protect ourselves, our clients and our stakeholders. Our Anti-Bribery and Corruption and Anti-Money Laundering policies set out the controls and processes in place to prevent financial crime, as well as the responsibilities of our employees, both generally and in key departments or roles. Each policy is reviewed and updated annually by the Money Laundering Reporting Officer. All employees are also enrolled on mandatory whistleblowing and anti-money laundering training.

Internal audit conducts audits of our operations, controls and processes based on risk areas, and policies identified as high risk, which includes financial crime-related policies, form part of the risk assessment exercise to produce the Internal Audit Plan. For more information on our internal audit approach, the Group Internal Audit Charter is available on our website at: https://www.integrafin. co.uk/legal-and-regulatory-information/.

Whistleblowing Policy

Recognising that the ability to voice genuine concern without fear of reprisal is essential, the Group maintains a Whistleblowing Policy applicable to all employees which is available to view on our intranet. This reiterates our employees’ responsibilities in reporting suspicions, outlines the reporting lines for whistleblowing concerns and establishes that whistleblowers are protected from retaliation. In line with all policies, we periodically audit our Whistleblowing arrangements.

Human rights and modern slavery

We continue to recognise the important role we have to play in the support of human rights and we do not tolerate modern slavery of any kind. The Group continues to underpin this support through the publication and enforcement of our modern slavery statement which applies to all Group companies and all suppliers. The statement can be found at: https://www.integrafin.co.uk/modern-slavery/.

> **“Our success is built on our staff. Their motivation and engagement is evident every time they deal with clients and advisers.”**
>
> **Alexander Scott**
> Chief Executive Officer

Responsible business continued

Environmental matters and climate change

We recognise the impact that climate change could have on the Company and our key stakeholders and our responsibility to take action to reduce our emissions.

Our climate change journey

We have made positive strides during the year in understanding and defining the next steps of our climate change journey. Key highlights are listed on page 32.

In addition, the move to online applications for the Transact platform means that over 80% of all portfolios opened in the year were online, resulting in a significant reduction in paper. We have also reviewed internal paper use resulting in each of our offices making efforts to reduce printing. We continue to recycle all confidential waste at the London office.

100% of the electricity supplied to our London office and UK-based data centres, which account for 97% of our UK and Isle of Man (IoM) Scope 2 emissions, is from renewable sources.

Following the introduction of the FCA's Sustainability Disclosure Requirements and investment labels regime we performed a review of Transact's, and the wider Group's, promotional materials to ensure that we complied with the anti-greenwashing rules and we have introduced functionality to the Transact platform to meet its requirements as a distributor.

Following our increased focus on climate change in 2023 we were pleased to see this reflected in our improved scores from external sustainability rating agencies. Our second submission to CDP received a score of C, up from a D, and MSCI awarded us an A, up from BBB.

We recognise that, despite the progress made this year, we still have work to do and plan to address the following in the short term:

- Developing a sustainability strategy to focus our efforts on the issues that are most material to the business and our stakeholders.
- Reducing energy use by moving our London office to a more energy efficient building.
- Updating our supplier onboarding process to consider sustainability factors.
- Continuing our programme of employee and supplier engagement.
- Considering where we can use our influence to reduce our indirect Scope 3 emissions by encouraging sustainable commuting to work and sustainable procurement policies.
- Improving our data collection for Scope 3 emissions.

Following this, we will look at the following in the medium and long term:

- Updating our scenario analysis work in 2026.
- Producing a Sustainable Supply Chain Charter.
- Producing a transition plan using the Transition Plan Taskforce disclosure framework published in October 2023. This will consider internal carbon prices as well as carbon-related opportunity metrics.

Carbon emissions calculation methodology and assumptions

We calculate our emissions in line with the Greenhouse Gas ("GHG") Protocol standards and use the operational control approach to determine our organisation's boundary. Our emissions relate to entities and assets which the Group owns or controls i.e. leased premises and right-of-use assets.

The GHG emissions sources that constituted our operational boundary for the financial year were from our offices based in London and Norwich in the UK; the IoM; and Melbourne, Australia.

Scope 1 covers emissions from sources that an organisation owns or controls directly. For the Group, this comprises emissions from the use of boilers in all our offices and fugitive emissions (refrigerants top-ups leaks). Data for fugitive emissions was not available for the IoM office, hence this office was excluded in calculations. Efforts will be made to get this data in future years.

Scope 2 covers emissions that an organisation makes indirectly, for example when energy is purchased. For the Group, this comprises purchased electricity and emissions from use of data centres. In line with Scope 2 Guidance from GHG Protocol, we have reported emissions using the location-based method, using average emissions factors for the country in which the reported operations take place; and the market-based method, which uses the actual emissions factors of the energy when certified green electricity has been procured.

Renewable energy use is based on REGO energy certificates, and where these are unavailable, commitment certificates for renewable energy use.

Scope 3 Fuel and energy-related activities uses the 2024 UK Government GHG Conversion Factors for Company Reporting applied to total purchased electricity use.

Both Scope 1 and 2 We use primary data from periodic utility bills or secondary data from landlords or facility management companies for space occupied by our offices and from use of data centres. In periods where we were unable to obtain actual data we utilised an extrapolation method to cover 366 days with consideration given to seasonal variation. Where sites are shared with other businesses, it is assumed that energy usage is proportionate with office space leased.

Emissions are calculated using the UK Government GHG Conversion Factors for Company Reporting and Australian National Greenhouse Accounts Factors.

Scope 3 comprises emissions which are a consequence of an organisation's business activities but that it does not directly control. For the Group, these activities, including the methodology for collecting, calculating and reporting the related emissions data and any significant judgements or assumptions made to determine the emissions, are shown in the table opposite.

This year we carried out an engagement programme with our suppliers to obtain emissions data directly. Where good quality data was received, we have used this alongside publicly available information, to improve the quality of this metric. Where this information was not available we have continued to use the spend-based industry average emissions.

Emissions are calculated using the 2024 UK Government GHG Conversion Factors for Company Reporting and the 2021 Conversion factors by SIC code provided by the Department of Environment, Food & Rural Affairs (DEFRA).

Data availability for Scope 3 emissions is not as accessible as for Scope 1 and 2 and therefore the data quality for Scope 3 emissions is not as high as that for Scope 1 and 2. We will continue to review and refine our methods for data collection across all Scopes to ensure greater accuracy and an improvement in reporting year on year.

Scope 3 data methodology and assumptions

Scope 3 category	Carbon emissions calculation methodology	Significant judgements or assumptions
1. Purchased goods and services (PGS) **2. Capital goods (CG)**	For both PGS and CG, the supplier-based method is used where good quality data is available, else the spend-based method is used. Surveys are sent to regular suppliers asking for information on their Scope 1, Scope 2 and upstream Scope 3 emissions relating to the business they do for the Group. Where the Group's proportion of emissions is not calculated by the supplier, the suppliers' revenue is used for the Group's spend to derive the Group's emissions for that supplier. Data received directly from the supplier is used, where provided, and where necessary supplemented with publicly available data.	For PGS, data has been reported for the top 50 suppliers of the Group (covering over 80% of spend with suppliers). Intra-company, taxes paid and fees paid to regulators were not included in the 80% coverage. For CG, the supplier-specific method was used for one supplier and the spend-based method was used for the others. For both PGS and CG, a best estimate basis was used to allocate suppliers to DEFRA SIC codes factors used for the spend-based method. Tax on PGS and CG was dealt with in the same way as the financial accounting approach of each entity.
3. Waste generated in operations	**Solid waste:** Waste weight data and disposal routes for all sites are obtained from landlords or facility management companies. Where this data is not available, an estimate of waste per person per annum is derived based on sites where data is available. **Water use and wastewater:** Water meter readings are obtained from landlords or facilities management companies. Where this data is not available, an estimate of water use per person per annum is derived based on sites where data is available.	Where primary data is not available, it is assumed that each Group location has similar levels of waste and water per employee per annum. For waste, due to the lack of data availability for the IoM and Melbourne offices, estimates of waste per person per annum from the London and Norwich offices was used. For water, due to the lack of data availability for the IoM office, estimates of water use per person per annum from the London, Norwich and Melbourne offices was used. It is assumed that 90% of water supply is wastewater for all locations.
4. Business travel	A download of expense reimbursements claimed by employees in the year and travel-related invoices is used for calculating business travel emissions. Where good quality data is available for travel, the distance-based method is used and for the rest, the spend-based method is used.	The expenses reimbursed and travel-related invoices booked in the year are used for emissions calculations, instead of the travel for the year. This is due to lack of data availability of date of travel.
5. Employee commuting and homeworking	An annual survey is sent to employees based in the London and IoM offices to gather data on employee commuting and homeworking trends. The survey asks for days worked in the office and at home, distance and mode of transport and fuel type and car size in case of car travel.	Emissions are calculated for the number of full-time equivalent (FTE) employees that answer the survey extrapolated to cover FTE employees as at 30/09/24. Any survey responses that have poor quality data are excluded and incorporated through extrapolation. Five weeks of annual leave, two days of sick leave and eight days of public holiday are assumed for all employees.

Greenhouse gas (GHG) emissions data

Financial year 2022 is the base year against which our reduction targets have been set. Therefore, emissions data for 2022 has been included below, as well as current and prior data.

Our operational greenhouse gas emissions (tCO_2e)

	UK and IoM emissions			Australia emissions			Total emissions		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Scope 1	**89**	99	146	**11**	25	20	**100**	124	166
Scope 2 (location based)	**173**	179	166	**153**	188	217	**326**	367	383
Scope 2 (market based)	**7**	–	–	**153**	–	–	**160**	–	–
Total Scope 1 and 2 (location based)	**262**	278	312	**164**	213	237	**426**	491	549
Scope 3									
Purchased goods and services	**1,333**	1,353	979	**37**	–	–	**1,370**	1,353	979
Capital goods	**330**	215	106	**61**	–	9	**391**	215	115
Fuel and energy-related activities	**15**	15	15	**16**	14	18	**31**	29	33
Waste generated in operations	**3**	7	3	**1**	1	–	**4**	8	3
Business travel	**307**	226	52	**157**	121	15	**464**	347	67
Employee commuting and homeworking	**347**	348	451	**58**	52	73	**405**	400	524
Total Scope 3	**2,335**	2,164	1,606	**330**	188	115	**2,665**	2,352	1,721
Total Scope 1, 2 and 3	**2,597**	2,442	1,918	**494**	401	352	**3,091**	2,843	2,270
Emissions intensity – tCO_2e per FTE employee at year end	**4.6**	4.4	3.8	**5.4**	4.7	4.5	**4.7**	4.5	3.9
Emissions intensity – tCO_2e per £1 million revenue	**–**	–	–	**–**	–	–	**21.3**	21.7	17.3

Carbon emissions are rounded to the nearest whole number. Intensity metrics are rounded to the nearest one decimal place.

Scope 3 categories were reviewed for relevance and those not included in the above list were deemed not relevant to the Group.

We started reporting market-based Scope 2 emissions in FY24.

Responsible business continued

Greenhouse gas (GHG) emissions data continued

Our operational greenhouse gas emissions (tCO_2e) continued

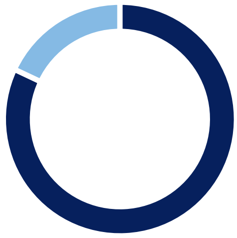
Scope 1 and 2 carbon emissions at all office premises were down compared with last year following successful initiatives to reduce energy use through improved automated settings in the London office and a full year of having solar panels in the Melbourne office. This was offset by an increase of electricity use at the third-party data centres due to servers and data storage being moved there from the London office to take advantage of the more energy efficient set-up they provide. Group Scope 1 and 2 carbon emissions are down 22% against our baseline year of 2022.

Total Scope 3 emissions continue to be driven by purchased goods and services, capital goods, business travel and employee commuting and homeworking. We revisited our methodologies of data collection for these categories this year and a more granular approach , as well as an increase in Group expenses, has resulted in an increase in Scope 3 emissions. We will continue to evolve our approach, as improving the accuracy of the data we use going forward and relying less on estimations, in addition to taking positive action, will lead to a reduction.

Review and validation of metrics

In FY23, we engaged external independent sustainability consultants, Brite Green Limited, to validate the data collection and calculation methodology process of the greenhouse gas emission metrics to ensure it was appropriate and robust, and to review the metrics in the Greenhouse gas (GHG) emissions data table above for FY22 and FY23.

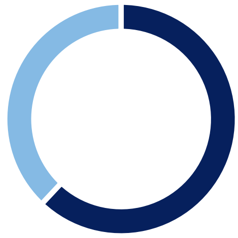
Energy consumption by location



UK and IoM – 1,196 kWh (82%)

Australia – 255 kWh (18%)

Carbon emissions by location



UK and IoM – 262 tCO_2e (62%)

Australia – 164 tCO_2e (38%)

In relation to carbon emissions, the almost-four-times-higher carbon intensity of the national grid in Australia compared to the UK results in the carbon emissions from the Melbourne site being a far higher proportion of total emissions than its energy consumption.

The solar panels installed on the roof of the Melbourne office in April 2023 have helped the Group avoid 11% of base year Scope 1 and 2 carbon emissions in the current year and 84 tCO_2e in total.

Our carbon and climate change plan

The below illustrates the achievements of the Group in the last three years and sets out the next steps to be taken over the short, medium and long term for the Group as it transitions towards achieving its goal of being net zero.

Initiative pathway

2022–23

Year 1 and 2 reporting achievements

- Confirmed baseline year for emissions
- Measured and reported Scope 1, 2 and 3 emissions
- Assessed climate change risks and opportunities
- Established senior governance responsibilities

2024

Year 3 reporting achievements

- ESG materiality assessment
- Established a Sustainability Forum
- Supplier engagement programme
- Employee Forum on sustainability

2025–27

Short term

- Develop a sustainability strategy
- Perform climate change scenario analysis
- Draft transition plan and design roadmap to meet net zero targets.
- Adoption of ISSB standards
- Measure, reduce emissions and report
- Full climate change risk register
- Climate change register of compliance
- Employee awareness and training
- Supply chain climate change standards

2027–35

Medium term

- Sustainability strategy embedded
- Validation of net zero roadmap
- Measure, reduce and report emissions and strategy
- Climate change risks framework review and update
- Employee, investor, and client engagement
- Supply chain standards extended to sustainability
- Adoption of TNFD standards

2035–50

Long term

- Action delivery against net zero roadmap
- Measure, reduce and report emissions and strategy
- Asset owner engagement and influence
- Supply chain auditing
- Platform ESG insights supporting IFA/clients

Task Force on Climate-related Financial Disclosures (TCFD)

This is the third year that we are disclosing under TCFD and we have made progress in terms of the governance of assessing and managing our climate-related risks and opportunities by establishing a management-level Sustainability Forum and in terms of our risk management process by including a climate-related risk on our corporate risk register.

Our TCFD Report reflects the activities undertaken by the Group during FY24. All Group entities, including the regulated entities, have been considered when identifying and measuring the climate-related financial impacts, risks and opportunities and their impact, which have been incorporated on a consolidated basis within this report.

For details on key activities that the Group has worked on this year please see pages 30 to 32.

Compliance statement

The FCA's ESG sourcebook, TCFD all-sector guidance and the Financial Reporting Council (FRC)'s review of TCFD reporting were considered in producing this report. Additionally, the TCFD's Supplemental Guidance for the Financial Sector, in particular the guidance for insurers and asset owners, was considered. However, IHP has not disclosed against these supplemental requirements as the nature of the insurance contracts written by the insurance companies in the Group, as well as the investment strategies, are not under the control of the Group.

FCA Listing Rules

Our TCFD Report follows the October 2021 recommended guidance with disclosures structured around four themes: governance, strategy, risk management and metrics and targets. In support of these themes there are 11 recommendations that provide guidance for developing effective disclosure.

In accordance with paragraph 8(a) of Listing Rule 9.8.6R, the table below sets out our compliance with the recommendations and identifies the areas where improvements to Group activities and reporting have been made during the year.

UK Climate-related Financial Disclosures (CFD)

We are compliant with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. As stated above we are compliant with the 11 recommended disclosures of TCFD. In addition, we have stated our frequency of performing scenario analysis and described why particular scenarios were chosen.

TCFD compliance status

Disclosure level: ● Full ● Partial ● Omitted

Theme	TCFD recommended disclosure	2024	Page(s)	Progress and rationale for disclosure level
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	Full	34	A Climate Update is now a rolling agenda item for quarterly IHP board meetings.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Full	34	Establishment of Sustainability Forum that meets monthly to discuss sustainability matters at an operational level.
Strategy Describe the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and longer term.	Partial	35–37	The climate change analysis undertaken last financial year did not identify any material impact on the Group within the financial and strategic planning cycle. A sustainability strategy is being developed. This will address all outstanding disclosure areas to ensure we become fully compliant.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Partial	35–37	
	Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partial	36–37	
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	Full	37	Climate-related risk has been included on the corporate register. Climate-related risks are identified and managed in line with our RMF as detailed on page 44. We will further explore the link of climate-related risks to principal risks and their impacts and mitigations.
	Describe the organisation's processes for managing climate-related risks.	Full	37	
	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Full	37	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics and targets used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partial	37	Improved data collection methodology for purchased goods and services by using data directly from key suppliers. We will explore metrics and targets to use over different time horizons to assess and manage climate-related risks and opportunities.
	Disclose Scope 1, 2 and 3 greenhouse gas (GHG) emissions, and related risks.	Full	31–32	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partial	37	

Task Force on Climate-related Financial Disclosures (TCFD) continued

Areas of improvement

When we next perform scenario analysis, in FY26, we will explore the quantitative impacts of risks and opportunities, including the impact of carbon pricing. We will also consider the physical impacts of a very high temperature scenario, for example above 3°C.

In FY25 we will be considering additional appropriate metrics and KPIs to measure risks and mitigating actions for each risk.

Governance

Board oversight of climate-related risks and opportunities:

Board committee	Responsibilities and matters considered
IHP board	The board is ultimately responsible for risks and opportunities facing the business, including those related to climate change. Climate-related actions, strategies and progress towards targets are included on board meeting agendas and are considered as part of the board decisions and strategy, contributing to the long-term sustainability of IntegraFin. **Matters considered in 2024** – progress against carbon emission reduction targets, available carbon reduction strategies for Scope 3, updates on ESG regulatory and industry news. **Frequency of reporting** – quarterly.
IHP Audit and Risk Committee (ARC)	The ARC is responsible for oversight of risks to the business including those arising from climate-related scenarios. The ARC challenges management on progress of actions identified to manage the risks and improve the overall control environment. The ARC has responsibility for monitoring the quality of reporting of the Group's GHG emissions and future decarbonisation targets within the TCFD disclosure. The Group Internal Audit team undertakes thematic reviews of processes, procedures and controls and suggests improvements. Both will utilise external consultants and expertise when needed. **Matters considered in 2024** – same as those considered by IHP board. **Frequency of reporting** – quarterly.
IHP Remuneration Committee (RemCo)	RemCo supports governance accountability by linking deliverables with remuneration. TCFD and ESS targets were reviewed in 2024. **Matters considered in 2024** – the committee considered sustainability within the risk, regulation and ESG anchor against the delivery of which variable remuneration awards are discussed. **Frequency of reporting** – annual.

Management's role in assessing and managing climate risks and opportunities

	Responsibilities and matters considered
IHP Executive Committee (ExCo)	The IHP ExCo applies the business plans to its business operations in support of the CEO. It is responsible for: ▪ identifying business risks, including climate-related change and scenario risk and opportunities assessments; ▪ embedding actions into its business plans, supporting emissions data gathering and delivering against targets; ▪ monitoring and management of material risks, including those related to climate change; and ▪ reviewing the Group's risk profile for both current and potential future risks, including climate-related risks over the short, medium and long term and overseeing the mitigation of those risks. **Matters considered in 2024** – the next significant step of the Group's sustainability agenda. **Frequency of reporting** – ad hoc, as and when necessary.
Sustainability Forum	The Sustainability Forum, comprising members of the Group's management team, is responsible for supporting and driving the implementation of the broader sustainability agenda. The Climate Update that is presented to the board quarterly includes discussions and actions from Forum meetings. **Matters considered in 2024**– incorporating sustainability considerations in the supplier onboarding and ongoing review process, opportunities for more sustainable choices in the areas of office procurement decisions and office energy use, employee engagement to embed an awareness of the issues that affect the Group. **Frequency of reporting** – monthly updates are sent to the IHP CEO and designated non-executive director of ESS.

Strategy

We are currently developing a sustainability strategy that we aim to start implementing in financial year 2025. Understanding the climate-related risks and opportunities is fundamental to shaping our strategy as a responsible business. We are considering the following as part of our strategy: improvements to our process for identifying, assessing, prioritising, managing and mitigating risks and opportunities including consideration of geographies and/or sector; determining how climate-related issues serve as an input to the financial planning process and the time period(s) used; determining the financial impacts of climate related risks and opportunities; further exploration of the prioritisation of climate related risks and opportunities as well as the link between climate-related risks and principal risks and their impacts and mitigations; forward-looking climate-related metrics and targets over different time horizons and how they could be incorporated into remuneration policies and target setting.

Scenario analysis

Management conducted its first climate scenario analysis in 2023. This was based on long-term scenarios and the inputs and outcomes are not expected to change significantly year on year. Therefore, unless there is a material change to the business, we plan to update our scenario analysis every three years, in line with the recommendations of the UK Government's Climate-related Financial Disclosures (CFD) requirements.

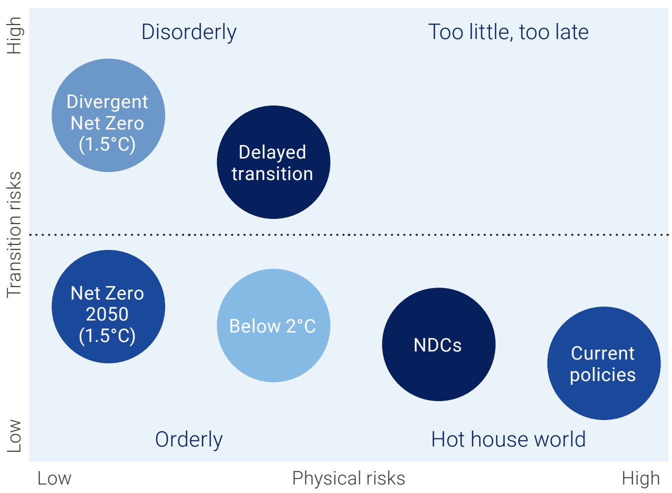
The risks and impacts associated with climate change for our Group will be determined by the global governmental, social and technological approach to emissions reductions and projected temperature increase limits.

From a modelling perspective it should be noted that scenarios are not predictions and reflect a series of assumptions to assess a range of possible outcomes. Consequently, climate-related scenarios are currently limited by factors such as simplifications in terms of data inputs and event outcomes which are likely to influence the range of potential future impacts. Given the limited level of certainty, we use scenario analysis as a useful input to assess potential risks and opportunities at this point.

This review examines three climate scenarios, drawing on the Intergovernmental Panel on Climate Change (IPCC) representative concentration pathway (RCP) models and the Financial Stability Board (FSB) and Network for Greening the Financial System (NGFS) scenarios. Each scenario represents the modelled increases in global average temperatures from pre-industrialised levels and the predicted mitigation approach that would deliver them.

The rationale for the scenarios used was to represent three of the four quadrants in the NGFS, a network of 114 central banks and financial supervisors, as shown in the diagram below. These provide a range of possible outcomes including an orderly, fast transition scenario where transition risks will be greater and a hot house world scenario where the physical risks will be more impactful.

NGFS scenarios framework



Notes to the framework:

A scenario over 3°C has not been included due to the projected global economic wipe-out over 50% of global GDP above 2.6°C, and economic annihilation for 4–5°C rise: Winter & Kiehl (2023) Long-term macroeconomic effects of shifting temperature anomaly distributions Oxford Economics.

NDCs – Nationally Determined Contributions (all current pledged policies even if not yet implemented and not aligned to global target of 1.5°C).

Figure 3. Summary of climate risks in scenarios

The key facets of each scenario are summarised below.

Climate scenarios considered			
	Net Zero by 2050	Delayed transition	Nationally Determined Contributions (NDCs)
Assumed global temperature rise			
	Aligned to RCP 2.6 At least 50% chance does not exceed 1.5°C	Aligned to RCP 4.5 67% chance to limit to 2°C	Integrated with RCP 6.0 Likely to limit to 2.6°C
Key assumptions			
	Global ambitious climate policies. Innovation and fast technological changes. Medium to high use of carbon dioxide removal.	After 2030: ■ Global annual emissions decrease. ■ Fossil fuel use starts declining. ■ Strong climate policies and climate taxes implemented.	Current pledged policies are not met. Technology change is slow. Policy change is slow to be implemented.
Physical impacts			
Acute	Low	Moderate	High
Chronic	Moderate	Moderate	High
Transition impacts			
Market and tech	High	High	High
Reputation	Moderate	Moderate	Moderate
Policy and legal	High	High	Moderate
Society	Moderate	Moderate	High

Measuring risks and opportunities

We have measured the climate risks using the Group's business risk impact assessment matrix. This assesses the level of impact and likelihood against five categories: operational disruption, financial impact, reputational and media interest, regulation and duty of care to clients.

The climate-related risk on the Group's corporate risk register is reviewed every three months to incorporate ongoing refinement and to ensure the register reflects the risks in the operating environment. In 2024 we conducted an assessment to consider the materiality of climate-related risks and opportunities. This assessment will be updated periodically to where priorities have, or ought to have, shifted.

Time horizons: short, medium and long

Time horizon	Years	Reason
Short term	<2	This is within the Company's three-year business planning period.
Medium term	2–12	This covers the end of the Company's business planning period and beyond into what we would consider a reasonable timeframe to consider environmental risks and opportunities.
Long term	12+	This is beyond the Company's strategic and business planning period but it ties into the Company's commitment to be net zero by 2050.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Scenario analysis continued

Measuring risks and opportunities continued

Scenario-based risks, materiality and available responses

Specific climate-related scenarios have a longer-term horizon and consequently we have not yet included any financial impacts based on opportunities in our planning process for this financial year. We have, therefore, largely assessed the impacts of scenarios on a qualitative basis.

The Group's preferred scenario is an orderly transition to net zero by 2050 as this has the least significant impact on key stakeholders, as shown in the table below. Our climate-related scenario analysis confirmed that the Group was resilient under all scenarios and that the regulated entities remained within solvency and liquidity appetites.

The risk assessment related to the external scenarios on the Group has been based on the Group RMF business risk impact assessment matrix. The most significant scenario-based risks are set out in the table below.

Scenario-based risks, materiality and available responses and resilience:

Low Medium High

Climate-related risk	Map to principal risk	Potential impact on operations, strategy and financial planning	Scenario	Potential materiality of risk by timeframe: 2025 (short term)	2035 (medium term)	2050 (long term)	Available responses and resilience
Physical risks – Acute The risk of extreme weather events such as floods and storms impacting our operations, damaging our premises, data centres and the surrounding infrastructure or compromising the safety and wellbeing of our employees.	**Resilience** **Service standard failure**	**Risk** Increased costs due to damages to premises. Disruption to operations due to impact on supplier operations and employees' ability to travel to office.	Net Zero by 2050	Low	Low	Low	Inclusion of sustainability considerations in supplier risk assessments, developing contingency plans for all cloud and data services. Ongoing investment in IT services will support further flexibility to location of working and efficiencies across the hybrid working model.
			Delayed Transition	Low	Medium	Low	
			NDCs	Low	Medium	High	
Physical risks – Chronic The risk of longer-term changes in climate patterns such as higher temperatures impacting our operations and employees.	**Resilience** **Service standard failure**	**Risk** Increased costs due to additional cooling requirements in offices and data centres. Disruption to our own operations and our suppliers' due to impact on employees' productivity.	Net Zero by 2050	Low	Low	Low	Inclusion of sustainability considerations in supplier risk assessments from next year, developing contingency plans for all cloud and data services. Ongoing investment in IT services will support further flexibility to location of working and efficiencies across the hybrid working model.
			Delayed Transition	Low	Medium	Low	
			NDCs	Low	Medium	High	
Transition risk – Policy legal and regulatory The risk that there is a need to comply with increasing legal, regulatory, and disclosure obligations.	**Regulatory**	**Risk** Increased operating costs associated with complying with new rules such as carbon taxes and increased disclosure requirements. Potential for some product offerings to be restricted or sanctioned by regulators for non-compliance. **Opportunity** Decreased operating costs from reducing our energy use and delivering operational efficiencies across our business.	Net Zero by 2050	Low	High	Low	Ongoing regular horizon scanning of changing compliance requirements and reviewing regulatory publications on an ongoing basis. Targets have been set to reduce our carbon emissions which will lessen the impact of a carbon tax. Identifying short-, medium- and longer-term opportunities to develop and incorporate sustainable practices within our operations.
			Delayed Transition	Low	High	Medium	
			NDCs	Low	Low	Low	
Transition risk – Market The risk that climate change or the transition to a lower-carbon economy negatively impacts the global economy, and therefore the value of assets on our platform and in our range of managed investment solutions.	**Market**	**Risk** Reduced net inflows as clients react to market volatility. Decreased revenues from lower FUD. **Opportunity** Increased market share by meeting clients' expectations of climate-related investments and platform functionality.	Net Zero by 2050	Low	High	Low	Holding a diverse portfolio on the platform to mitigate regional and sector market shocks. Developing Transact and T4A products to ensure resources are used to create value for stakeholders over the long term.
			Delayed Transition	Low	High	Low	
			NDCs	Low	Medium	High	

Low Medium High

Climate-related risk	Map to principal risk	Potential impact on operations, strategy and financial planning	Scenario	Potential materiality of risk by timeframe: 2025 (short term)	2035 (medium term)	2050 (long term)	Available responses and resilience
Transition risk – Reputational Poor public perception of the Group as a result of inadequate or misleading disclosure regarding the Group's climate strategies.	**Competition** **People**	**Risk** Decreased revenues following loss of clients due to not meeting stakeholder expectations in terms of ESG product offerings and corporate performance. **Opportunity** Increased market share from meeting clients' expectations of targets, transparency and corporate behaviours.	Net Zero by 2050	Low	High	Low	Developing a sustainability strategy in 2025 that aligns with best industry practice. We have set realistic carbon emission reduction targets and regularly monitor progress. Regular engagement with our financial adviser base is planned to understand the expectations of clients in relation to climate-related investments.
			Delayed Transition	Low	Medium	High	
			NDCs	Low	Medium	High	

Risk

Risk management is a core part of our corporate culture. Climate-related risks are managed as part of our Group RMF which defines the Group's systems of governance, risk appetite and risk management processes. See pages 43 and 44 for more information on our risk management processes.

Understanding and managing the risks

Climate-related risks are identified using scenario analysis and horizon scanning for existing and emerging regulatory requirements. We use various tools and processes to manage climate-related risks:

- Climate-related scenario analysis, as described on pages 36 and 37 which looks at climate-related matters arising in the medium and long-term.
- The ORSA and ICARA processes for the regulated entities of the Group, which consider impacts in the business planning period using projection scenarios and stress testing.
- Quarterly risk and control assessments to review internal controls and available management actions for mitigation.

A key part of our sustainability strategy will be to continue considering how we can embed the identification, managing and monitoring of climate-related risks and opportunities, including the impacts on our principal risks, over different time horizons into all areas of the business.

Once risks are identified, our risk appetite framework defines the maximum level of residual risk the board is willing to take in pursuit of its strategic objectives and in the normal course of business. Exceeding risk appetite limits potentially presents a financial or operational threat to the business which could cause harm to its customers or the firm. Whilst the Group has not set any specific climate-related appetites, it recognises that existing appetites for operational and financial thresholds may be impacted by climate change matters and therefore considers root cause, of which climate may be one factor, for any appetite breaches.

Metrics and targets

The Group adopted the reporting requirements of the Streamlined Energy and Carbon Reporting (SECR) policy, as implemented by the UK Government in 2019. We have been collating Scope 1 and 2 GHG emission data for several financial years and expanded the scope of our Scope 3 emissions reporting in 2023.

With regards to our operational activities, we have reported our greenhouse gas emissions, energy use and carbon intensity ratios on pages 31 and 32. The data collection methodology, assumptions and estimates are outlined on pages 30 and 31.

The table below shows targets that we have committed to and also targets that we are aiming for in the short to medium term, the details of which are still being considered or developed.

Risk mitigation	Target	Key metric	Timeframe	Status
Mitigate the risk of harming our reputation due to not setting targets to reduce of emissions as expected by key stakeholders	We have committed to a carbon reduction target of 60% of direct operational Scope 1 and location-based Scope 2 emissions against a 2022 base year.	Carbon emissions	2033	On track – see pages 31 for details.
	We commit to reaching net zero emissions by 2050. This covers Scope 1, 2 and 3 carbon emissions.		2050	We aim to develop a net zero roadmap over the medium term.
Ensure resilience of our suppliers	To ensure the resilience of our suppliers and alignment with our goals, we want our suppliers to demonstrate their commitment to environmental goals by having carbon emission reduction targets.	Number of suppliers with carbon reduction targets in place	Not set	Under consideration.

Methodology of setting targets to reduce operational Scope 1 and 2 emissions

We compared the energy footprint of our current London premises to a potential office space 50% smaller and with best practice energy efficiency to calculate potential energy savings. This criteria was subsequently used in the selection process of the new office. We also considered the impact of continued use of solar panels at our Australian office and the expected reductions in the UK and Australian national grids over the next ten years.

Offsetting emissions

We currently do not purchase any carbon credits for offsetting and therefore they are not currently included in any of our metrics or targets.

Financial review

Platform growth driving strong financial performance

"The ongoing attraction of the Group's investment platform has driven record revenue and PBT."

Euan Marshall
Chief Financial Officer

The Group's platform business continued to show its strength in attracting and retaining advised business. The primary measure of this success was FUD growth, which was up 17% to £64.1 billion (FY23: £55.0 billion) as a result of the benefit of both positive net inflows and market movements.

Against a backdrop of ongoing high interest rates and higher cost of living impacting client withdrawals, where the wider adviser platform sector has faced headwinds, to have robust, positive net inflows was extremely encouraging.

As a result of the FUD growth, Group revenue also increased strongly, up 7% to £144.9 million (FY23: £134.9 million).

The Group also continued to grow its market penetration with platform clients of 234,998 (FY23: 230,294)* and registered advisers on the platform of 8,048 (FY23: 7,683)*.

Given the Group's strong liquidity profile, the higher UK interest rate environment and ongoing interest income optimisation, net interest income increased by 67% to £10.5 million (FY23: £6.3 million).

The growth in both Group revenue and interest income more than offset the 14% increase in total administrative expenses to £85.0 million (FY23: £74.6 million). This was primarily the result of ongoing investment in staff to reach a level that will support software development and IT infrastructure projects, market-leading client service and operational requirements as the Group continues to grow.

Statutory profit before tax (PBT) rose 10% to £68.9 million (FY23: £62.6 million), a new record for the Group, and underlying PBT rose by 12% to £70.6 million (FY23: £63.0 million)*.

The effective tax rate increased to 24% (FY23: 20%) due to the change in corporation tax rate in April 2023. This resulted in profit after tax rising by 4%, a slower rate than PBT growth, to £52.1 million (FY23: £49.9 million).

EPS was 15.7 pence (FY23: 15.1 pence). After removing all non-underlying expenses in FY24, underlying EPS was 16.2 pence*, compared with 15.2 pence in FY23.

* Alternative performance measures (APMs) are indicated with an asterisk. APMs are financial measures which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided in the glossary, on pages 149 to 151.

Operational performance

Platform

	FY24 £bn	FY23 £bn	Change %
Opening FUD	**55.0**	50.1	+10%
Inflows	**8.1**	6.4	+27%
Outflows	**(5.6)**	(3.7)	+51%
Net flows	**2.5**	2.7	-7%
Market movements	**6.6**	2.2	+200%
Closing FUD	**64.1**	55.0	+17%
Average daily FUD for the period	**59.6**	53.6	+11%
	FY24 No.	FY23 No.	Change %
Platform clients	**234,998**	230,294	+2%
Platform registered advisers	**8,048**	7,683	+5%

1 Other movements includes fees, tax charges and rebates, dividends and interest.

FUD closed the year up 17% on FY23 at £64.1 billion.

During FY24, client pressures caused by macroeconomic factors eased and investment sentiment improved. This, combined with the reliability and quality of our advised investment platform, resulted in gross inflows of £8.1 billion (FY23: £6.4 billion); this was a record for the Group, in what continues to be a competitive marketplace.

Whilst outflows increased to £5.6 billion (FY23: £3.7 billion), the annualised rate was 10% of opening FUD (FY23: 7%) and as a result are still within the range observed historically, as a percentage of FUD. Factors driving outflows included clients withdrawing savings, including increasing pension drawdowns as the cost of living has increased, and supporting one-off purchases for themselves and dependents.

Our net flows of £2.5 billion (FY23: £2.7 billion), or 5% of opening FUD, were strong for the sector.

Back-office technology

At the end of FY24 the number of CURO licence users was 3,098 (FY23: 2,752), an increase of 13%.

Group financial performance

	FY24 Group £m	FY24 Platform* £m	FY23 Group £m	FY23 Platform* £m	Change % Group	Change % Platform
Revenue	**144.9**	**140.0**	134.9	130.1	+7%	+8%
Cost of sales	**(3.0)**	**(2.1)**	(3.9)	(2.7)	-23%	-22%
Gross profit	**141.9**	**137.9**	131.0	127.4	+8%	+8%
Underlying administrative expenses	**(83.3)**	**(77.4)**	(74.2)	(72.1)	+12%	+7%
Credit loss allowance on financial assets	**0.1**	**0.1**	(0.1)	–	-200%	–
Non-underlying administrative expenses	**(1.7)**	**0.5**	(0.4)	(0.4)	+325%	-225%
Operating profit	**57.0**	**61.1**	56.3	54.9	+1%	+11%
Net interest income	**10.5**	**9.6**	6.3	5.7	+67%	+68%
Net gain attributable to policyholder returns	**1.4**	**1.4**	–	–	–	–
PBT	**68.9**	**72.1**	62.6	60.6	+10%	+19%
Tax on ordinary activities	**(16.8)**	**(15.7)**	(12.7)	(11.6)	+32%	+35%
Profit after tax	**52.1**	**56.4**	49.9	49.0	+4%	+15%
PBT margin	**48%**	**52%**	46%	47%	+2%	+11%
EPS – basic	**15.8p**	**17.1p**	15.1p	14.8p	+5%	+16%
EPS – diluted	**15.7p**	**17.0p**	15.1p	14.8p	+4%	+15%

* The "Platform" columns represent the activities conducted on Transact and excludes the activities of T4A, the Group's adviser back-office technology provider. The T4A activities are included in the Group column. Platform is equivalent to the investment administration services and insurance and life assurance business segments in note 6.

Financial review continued

Revenue

There are two streams of Group revenue: investment platform revenue and back-office technology revenue.

	FY24 £m	FY23 £m	Change %
Platform revenue			
Recurring annual charges	**126.1**	116.1	+9%
Recurring wrapper charges	**12.8**	12.3	+4%
Other income	**1.1**	1.7	-35%
Total platform revenue	**140.0**	130.1	+8%
Back-office technology revenue	**4.9**	4.8	+2%
Total revenue	**144.9**	134.9	+7%

Annual commission income and wrapper fee income have been renamed in FY24 to recurring annual charges and recurring wrapper charges respectively.

Platform revenue

FY24 investment platform revenue increased by £9.9 million to £140.0 million (FY23: £130.1 million). Investment platform revenue comprises three elements, 99% (FY23: 99%) of which is from a recurring source.

Annual charge income (an annual, *ad valorem* tiered fee on FUD) and wrapper fee income (quarterly fixed wrapper fees for certain available tax wrapper types) are recurring. Other income is composed of buy commission and dealing charges. Buy commission was phased out during the course of FY24.

Average daily FUD for the year, arising from the performance of the assets in client portfolios, increased by 11% in FY24 to £59.6 billion. Annual charge income increased 9% to £126.1 million (FY23: £116.1 million). The lower increase in annual charge income in comparison to average FUD resulted from a reduction in the blended rate annual charge payable by clients. This naturally occurs as a result of a greater proportion of individual client FUD benefits from progressively lower fees as portfolios increase in value.

Recurring wrapper administration fee income increased by 4% to £12.8 million (FY23: £12.3 million), reflecting the increase in the number of open tax wrappers for both existing and new clients.

Other income fell by 35% to £1.1 million (FY23: £1.7 million). This was driven by the elimination of buy commission during the financial year, which started during FY23. The elimination of the buy commission is an illustration of our responsible pricing strategy, as we seek to simplify our fee structure.

Back-office technology revenue

FY24 CURO licence revenue was £4.9 million (FY23: £4.8 million), an increase of 2%. This was driven by an increase in recurring revenue from additional CURO user licences.

Administrative expenses

Administrative expenses increased by £10.4 million (14%) to £85.0 million.

	FY24 £m	FY23 £m	Change %
Employee costs	**58.5**	53.9	+9%
Occupancy	**3.1**	2.8	+11%
Regulatory and professional fees	**10.6**	9.8	+8%
Other costs	**8.9**	5.2	+71%
Depreciation and amortisation	**2.2**	2.5	-12%
Underlying administrative expenses	**83.3**	74.2	+12%
Non-underlying expenses	**1.7**	0.4	+325%
Administrative expenses	**85.0**	74.6	+14%
	FY24 No.	FY23 No.	Change %
Average headcount	**666**	631	+6%
Period end headcount	**666**	648	+3%

Employee costs

Employee costs increased by 9% due to a combination of increased headcount, which grew by 6% from an average of 631 in FY23 to an average of 666 in FY24, and providing pay rises in order to offer competitive salaries to our employees.

Occupancy costs/depreciation and amortisation

Occupancy costs increased by £0.3 million, and depreciation and amortisation reduced by £0.3 million. The increase in occupancy costs is due to the head office lease ending in June 2023 and renewing in March 2024. As there was no lease commitment in the intervening period, this meant that, as per IFRS 16, the leases accounting standard, depreciation of the right-of-use asset was replaced by rent expense for the final three months of FY23 and the first six months of FY24. The lease was renewed for a limited period.

Regulatory and professional fees

Regulatory and professional fees increased by £0.8 million in FY24, with professional fees increasing by £1.5 million mainly as result of consultancy work and professional advice relating to discrete projects, and regulatory fees falling by £0.7 million due to a reduction in the FSCS levy.

Other costs

Other costs increased by £3.7 million in FY24 mainly due to an increase in irrecoverable VAT (£0.9 million), caused by higher software expenses and professional fees , and the movement of tax relief due to shareholders (FY23: £1.6 million credit) from administrative expenses to net gain attributable to policyholder returns in FY24, as noted in the net gain attributable to policyholder returns section below.

Non-underlying expenses

Non-underlying expenses relate to the deferred consideration payable as part of the acquisition of T4A, and any other one-off items considered to not be part of the core underlying business performance. The T4A post-combination remuneration costs increased to £2.1 million (FY23: £0.4 million), as FY23 included a £1.7 million release of the additional consideration, after it was confirmed that T4A would not meet the minimum threshold for highly stretching targets to earn this. The cost will reduce to approximately £0.5 million in FY25, with the final deferred consideration payment due in January 2025. FY24 also included £0.4 million received from HMRC for overpaid VAT and interest relating to the FY22 IAD Pty VAT decision, upon receipt of HMRC's final calculation of the amount due.

Interest income

Interest income rose 67% to £10.7 million (FY23: £6.4 million). The increase was predominantly due to a higher average Bank of England base rate during the year, higher average corporate bank balances and ongoing optimisation of corporate cash management.

This resulted in interest income on corporate cash balances and gilt investments rising to £10.1 million (FY23: £5.6 million). The Group also generated another £0.6 million (FY23: £0.8 million), being a combination of interest due from the Vertus loan facility and interest received from HMRC.

Net gain attributable to policyholder returns

Tax relief due to shareholders was £1.4 million in FY24 and relates to life insurance company tax requirements and thus is subject to valuations at year end, which are inherently dependent on market valuations at that date. Prior to FY24 this was included in administrative expenses (FY23: £1.6 million).

Underlying PBT and EPS

	FY24 Group £m	FY23 Group £m	Change %
Reported PBT	**68.9**	62.6	+10%
Non-underlying expenses	**1.7**	0.4	+325%
Underlying PBT	**70.6**	63.0	+12%
Underlying EPS – basic	**16.3p**	15.2p	+7%
Underlying EPS – diluted	**16.2p**	15.2p	+7%

Tax

The Group has operations in three tax jurisdictions: the UK, Australia and the Isle of Man. This results in profits being subject to tax at three different rates. However, 96% of the Group's income is earned in the UK.

Shareholder tax on ordinary activities for the year increased by £4.1 million, or 32%, to £16.8 million (FY23: £12.7 million) due to the increase in taxable profit and the increase in corporation tax rate to 25%, with effect from 6 April 2023.

Our effective rate of tax over the period was 24% (FY23: 20%).

Our tax strategy can be found at: https://www.integrafin.co.uk/legal-and-regulatory-information/.

Dividends

During the year to 30 September 2024, IHP paid a second interim dividend of £23.2 million to shareholders in respect of financial year 2023 and a first interim dividend of £10.5 million in respect of financial year 2024.

In respect of the second interim dividend for FY24, the board has declared a dividend of 7.2 pence per Ordinary Share (FY23: 7.0 pence).

FY24 total dividends paid and declared of £34.5 million compares with full-year interim dividends of £33.7 million in respect of FY23.

Consolidated Statement of Financial Position

	September 2024 £m	September 2023 £m	Change %
Non-current assets	**32.6**	30.5	+7%
Current assets	**270.0**	235.4	+15%
Current liabilities	**(47.5)**	(27.5)	+73%
Non-current liabilities	**(46.8)**	(48.5)	-4%
	208.3	189.9	+10%
Policyholder assets and liabilities			
Cash held for the benefit of policyholders	**1,622.8**	1,419.2	+14%
Investments held for the benefit of policyholders	**27,237.8**	23,021.7	+18%
Liabilities for linked investment contracts	**(28,860.6)**	(24,440.9)	+18%
	–	–	–
Net assets	**208.3**	189.9	+10%
Share capital	**3.3**	3.3	0%
Share-based payment reserve	**4.1**	3.4	+21%
Employee Benefit Trust (EBT) reserve	**(3.3)**	(2.6)	+27%
Other reserves	**5.6**	5.6	0%
Profit or loss account	**198.6**	180.2	+10%
Total equity	**208.3**	189.9	+10%

Net assets increased 10% (FY23: 10%), or £18.4 million, in the year to £208.3 million, and the material movements on the Consolidated Statement of Financial Position were as follows:

Current assets

Current assets increased by 15%, or £34.6 million, during the year to £270.0 million. This was as a result of cash and cash equivalents increasing by £66.2 million during the year to £244.1 million (FY23: £177.9 million). This was due to the strong cash flows generated from operating activities and the maturity of gilts. This was offset by a decrease in gilt investments of £19.8 million from £22.3 million to £2.5 million.

We continue to operate without any need for debt, so have not incurred any increase in financing costs from the increase in base rate through the year; rather, we benefited due to our strong corporate cash reserves.

Current liabilities

Current liabilities increased by 73%, or £20.0 million, during the year to £47.5 million. This was largely due to an increase in the current provision relating to ILUK policyholder reserves, and the renewal of the London office lease during the year, resulting in a new lease liability.

Policyholder assets and liabilities

ILUK and ILInt write only unit-linked insurance policies. They match the assets and liabilities of their linked policies such that, in their own individual statements of financial position, these items always net off exactly. These line items are required to be shown under IFRS in the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows but have zero net effect.

Cash and investments held for the benefit of ILUK and ILInt policyholders have risen to £28.9 billion (FY23: £24.4 billion). This increase of 18% is entirely consistent with the rise in total FUD on the investment platform.

Financial review continued

Capital resources and capital management

To enable the investment platform within the Group to offer a wide range of tax wrappers, there are three regulated entities within the Group: a UK investment firm (IFAL), a UK life insurance company (ILUK) and an Isle of Man life insurance company (ILInt).

Each regulated entity maintains capital above the minimum level of regulatory capital required, ensuring sufficient capital remains available to fund ongoing trading and future growth. Cash and investments in short-dated gilts are held to cover regulatory capital requirements and tax liabilities.

The regulatory capital requirements and resources in ILUK and ILInt are calculated by reference to economic capital-based regimes, which are Solvency II for ILUK and the Isle of Man Risk-Based Capital Regime for ILInt.

IFAL is subject to Investment Firms Prudential Regime (IFPR) regulatory capital and liquidity rules. These prudential rules require the calculation of capital requirements reflecting "K factor" requirements that cover potential harms arising from business activities. The K factors are calculated using formulae for assets and cash under administration and client orders handled.

IFAL's Public Disclosure document contains further details and can be found on our website at: https://www.integrafin.co.uk/legal-and-regulatory-information/.

Regulatory capital as at 30 September 2024

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
IFAL	**60.4**	**74.8**	**124**
ILUK	**229.5**	**313.1**	**136**
ILInt	**26.4**	**49.0**	**186**

Regulatory capital as at 30 September 2023

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
IFAL	33.3	44.4	133
ILUK	215.8	269.2	125
ILInt	27.1	46.6	172

Liquidity

The Group holds liquid assets in the form of cash and cash equivalents and UK Government securities ('gilts'), the majority of which are available with immediate effect. More information can be found in notes 3, 4, 19 and 21 to the financial statements.

The main uses of liquid assets include:

- holdings for regulatory and operational purposes, including risk appetite; and
- coverage of policyholder returns in the life insurance businesses.

Surplus cash and gilts have increased by £4.8 million during the financial year.

	FY24 £m	FY23 £m
Total Group consolidated cash and UK gilts	**242.1**	200.3
Less: Group cash and UK gilts held for regulatory and operational purposes	**(118.3)**	(89.6)
Less: foreseeable dividend	**(23.9)**	(23.2)
Less: coverage of policyholder returns in the life insurance companies	**(67.8)**	(42.4)
Surplus cash and UK gilts	**32.1**	45.1

Euan Marshall
Chief Financial Officer
17 December 2024

Risk management

Navigating uncertainty

"In 2024, we strengthened our risk and control reflexes, ensuring that the Group remains resilient and agile in the face of evolving market challenges."

Emma Vernon
Chief Risk Officer

Effective risk management assists the business and board with our strategic and everyday decision making and our business planning processes. It encompasses all risks that may prevent us from fulfilling our strategic objectives, as set out on pages 10 and 11, delivery of which requires continually enhancing our risk management framework (RMF) which also supports positive outcomes for all our stakeholders (defined on page 57).

During the year we have focused on strengthening our risk and control reflexes and enhancing our risk culture and the approach and quality of our risk and control self assessments (RCSA) by delivering focused training across the Group. Focused training delivery will continue through the coming year as we deliver and embed a new risk management tool and make further enhancements to other elements of the RMF including risk taxonomy, risk reporting and risk governance.

The inherent risk environment faced by the Group develops over time, and this year the landscape has been shaped by many factors including the headwinds of economic, political and geopolitical uncertainty and the embedding of the all-encompassing Consumer Duty.

Risk management framework

Risk appetite

Our risk appetite is the degree of risk that we are prepared to accept in pursuit of our strategic financial objectives. The board is responsible for approving the risk appetite statements, defined both on a quantitative and qualitative basis.

Risk identification

Risks are captured both through external sources and from top-down principal risk identification at Group level. Regular discussions with senior management and risk owners across the Group provide a bottom-up approach.

Risk assessment and management

We use a robust impact and likelihood scoring approach designed to ensure the capture of potential harms arising from business activities and measure these against both appetites and target scores. This bottom-up scoring approach takes place via an RCSA process completed on a no less than quarterly basis. We use controls and management actions to manage risks and bring them within appetite or to target scores.

Policy governance framework

The IHP Group's Risk Management Policy provides a high level direction of the systems of internal controls and policies and procedures are two of the elements that underpin the internal control process. Policies are implemented and communicated by managers and written procedures support the policies. The framework provides principles and guidance to ensure that ownership, control and consistency is maintained over all policies.

Risk culture

A culture of risk awareness and risk ownership and accountability is facilitated through a strengthening training programme to support better communication, challenge and informed decision making. This is supported in large part by senior management and the certification regime and conduct rules which apply to the majority of employees in the Group. The board sets the tone from the top which cascades through the subsidiary boards and the members of the relevant executive committees, into their business areas and functions.

Risk taxonomy

The IHP Group has created a two-tier risk taxonomy to ensure that a common and stable set of risk categories is used throughout the business linking in with three control objectives: operations, reporting and compliance.

Risk reporting

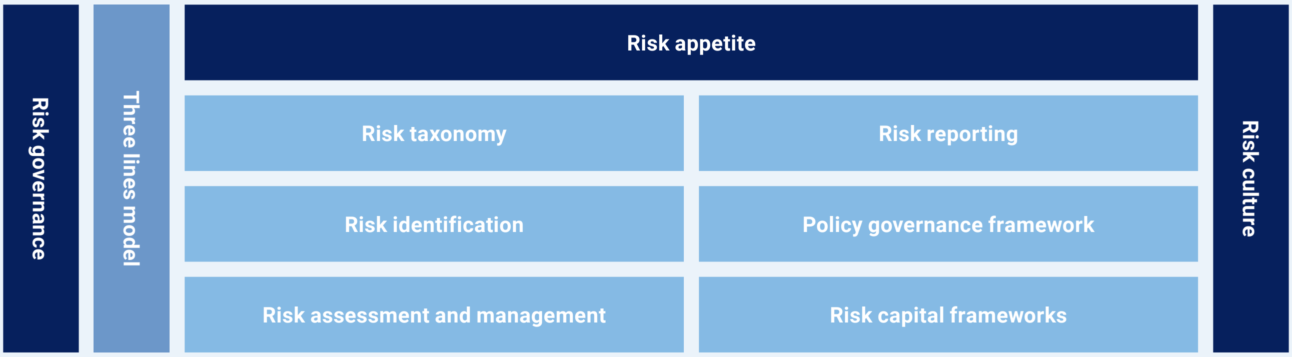
Reporting forms an integral part of the RMF and changes to risk landscape, new risks, changes to scoring and breaches of limits or appetite thresholds are escalated through the relevant governance channels including the executive committees (ExCos), ARCs and boards. There is also a clear process for the escalation of risk events.

Risk management continued

Risk management framework continued

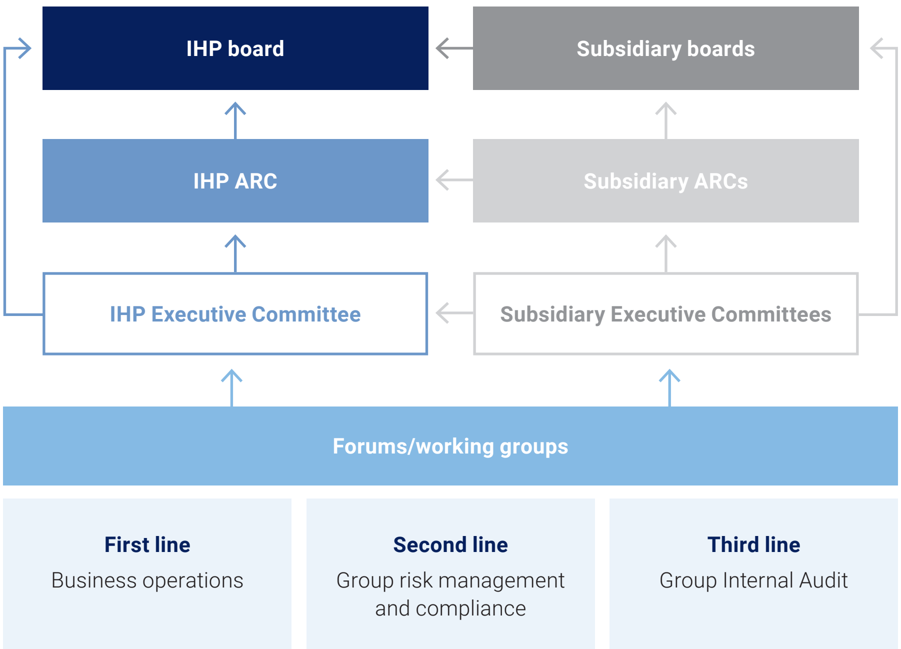
Group risk management framework

The RMF drives a consistent approach to identifying, measuring and controlling risks, forming a continuous and disciplined part of the evaluation of business opportunities, uncertainties and threats in managing good stakeholder outcomes.



More information on the component parts can be found in the next four pages.

Governance and the three lines model:



The IHP ARC supports the board and is responsible for reviewing and challenging the manner in which the Group implements and monitors the adequacy of the RMF. The role and activities of the IHP ARC are set out on pages 61 to 64.

The Group's regulated entity boards are similarly supported by Audit and Risk Committees (ARCs). The IHP ARC receives updates at each meeting from the respective Chair of the regulated entity ARCs on key areas of escalation.

The Group's RMF is implemented through a "three lines" model, to enable delineation of responsibility for risk management activities. The "first line" business is responsible and accountable for managing risks on a day-to-day basis within appetite and in line with risk policies. This is then combined with oversight, support and challenge from the "second line" Group Risk Management and Compliance functions, and independent assurance is provided by the "third line" Group Internal Audit function to form a "three lines" model. Group Internal Audit provide a bi-annual Group assurance map to the IHP ARC and subsidiary ARCs which identifies from which line assurance is provided for top risks and the extent of that assurance, which also informs future Group Internal Audit and others' annual programme of work.

Risk capital frameworks

The Company's regulated subsidiaries fall under various risk capital regimes. The regimes are guided by similar underlying risk principles, albeit the results and reporting requirements are regime specific.

The regulated subsidiaries are capitalised at the required regulatory minimum, plus a buffer defined as part of their capital management, risk appetite and dividend policies to reduce potential material harms.

Oversight is provided by management, regulated subsidiary ARCs and boards to ensure exposures are adequately identified and acted upon in a timely manner. We ensure, through our risk capital frameworks, that our regulated entities hold adequate capital to meet obligations. Additionally, the balance sheets and SCRs are regularly monitored and, in line with regulatory requirements, reported to the applicable regulators as required.

For information on our compliance with the relevant regulatory capital requirements, please see page 42 in the Financial Review.

Principal risks and uncertainties

The board has undertaken a review of the principal risks and uncertainties to the Group that could undermine the successful achievement of its strategic objectives and threaten its business model or future performance and considered non-financial risks that could present operational disruption.

The table below presents the Group's principal risks and uncertainties together with the related appetite, potential impacts, mitigations and the risk trend for 2024.

Strategic pillars

1. Leading functionality
2. Leading service
3. Value for money

Change over year

- Increasing
- Reducing
- Stable

→ **See Strategy on pages 10 and 11**

Risk	Impact	Mitigation	
Competition			
The risk that the Group fails to remain competitive against its current peer group and new market entrants.	▪ Weaker than forecast net inflows, impacting profitability and/or the medium/long-term sustainability of the platform	The Group continues to provide exceptionally high levels of service and can be responsive to client and financial adviser feedback and demands through an efficient operational base. The Group also monitors the landscape of its platform competitors, as well as the trends impacting the financial adviser market. The Group's platform service and developments remain award winning. We make monthly releases to our proprietary platform technology, which incorporate improvements and new functionality. We continue to develop our digital platform strategy, expanding our Transact Online interface allowing advisers direct processing onto the platform. This is essential to remain relevant and competitive, improving both functionality and service efficiency and allows the Group to continue to increase the value for money of our service by reducing client charges, subject to profit and capital parameters when deemed appropriate. The Group continues to review its business strategy and growth potential. In this regard, it primarily considers organic opportunities that will enhance or complement its current service offerings to the adviser market. The Group also continues to support the diversification of the adviser market through the Vertus scheme which continues to be successful.	**Strategic pillars** 1 2 3 **Change over year** Increasing **Risk appetite** The Group's business model exposes it to competitive markets. This risk is accepted and the Group's risk appetite is aligned with qualitative and quantitative measures
Market			
The risk of adverse changes in bond, equity and property market values, currency exchange rates, credit spreads and interest rates.	▪ Depressed equity and bond values have an impact on the revenue streams of the platform business due to a large proportion of revenue being dependent on FUD	The risk is mitigated through the platform offering a wide variety of assets which ensures platform revenue is not wholly correlated with one market. This also enables clients to switch assets in times of uncertainty. In particular, clients are able to switch into cash assets, which remain on the platform supported by our top quartile interest rates. In addition, wrapper fees are not impacted by market volatility as they are based on a fixed quarterly charge. The Group invests its corporate assets in cash and high-quality, highly-liquid, short-dated investments to mitigate exposure to bond asset value fluctuations.	**Strategic pillars** 3 **Change over year** Stable **Risk appetite** The Group's revenue model exposes it to secondary market risk and this is accepted, with partial mitigation through limited fixed fee revenue. It has limited appetite to market risk relating to market risk exposure through corporate assets

Principal risks and uncertainties continued

Risk	Impact	Mitigation	
Capital			
The risk that the regulated entities within the Group do not maintain sufficient capital resources to meet their regulatory requirements, including covering unexpected losses.	■ Inability to cover unexpected losses ■ Increase in regulatory capital requirements by the regulator	The Group's regulated entities are subject to various regulatory regimes including the IFPR and Solvency II. As a result, ICARA and ORSAs are conducted, which identify potential harms and sufficient resources and capital is held to cover potential losses (capital requirements). In addition, the risk appetites are set in excess to the assessed capital requirement and monitored against these appetites.	**Strategic pillars** 3 **Change over year** — **Risk appetite** The Group aims to maintain capital resources which are sufficient in amount and quality to exceed regulatory requirements across its regulated entities
Liquidity			
The risk that the Group does not have sufficient available liquid financial resources to enable it to meet its obligations as they fall due, or to meet its regulatory requirements, or where the Group can secure such resources only at excessive cost.	■ Inability to meet obligations as they fall due	The Group has controls in place which monitor and maintain immediately available cash balances across its regulated and unregulated entities within defined appetite parameters. The appetite includes the ability to withstand liquidity stresses and ensure it can meet liabilities as they fall due.	**Strategic pillars** 3 **Change over year** — **Risk appetite** The Group aims to maintain liquid financial resources which are sufficient in amount and quality to exceed regulatory requirements across its regulated entities and to ensure that all payments are met as they fall due
Service standard failure			
The risk that client service levels reduce resulting in reduced ability to attract and retain business.	■ Deterioration in adviser and client retention rates ■ Weaker than forecast net inflows, impacting profitability and/or the medium/long-term sustainability of the platform ■ Heightened regulatory scrutiny	The Group manages the risk by providing its client service teams with extensive initial and ongoing training, supported by experienced subject matter experts and managers. Monitoring service metrics allows the Group to identify areas where there is deviation from expected service levels or where processing backlogs have arisen and deliver targeted remediation plans to ensure client outcomes and service standards are maintained. The Group also conducts satisfaction surveys to ensure service levels are still perceived as excellent by our clients and their advisers.	**Strategic pillars** 2 **Change over year** ↓ **Risk appetite** The Group has limited appetite to compromise service levels below market-leading standard
People			
The risk that the Group fails to attract, retain, motivate and develop its talent, hindering its ability to meet its strategic goals.	■ Employees leave due to a lack of engagement, motivation or effective management ■ Increased difficulty in recruiting individuals with the required talent into the Group ■ Lack of training and development result in deterioration in client service standards and/or limit career progression opportunities for employees	The Group aims to minimise the level of retention risk through the promotion of a culture of inclusion and empowerment, underpinned by: robust HR policies and procedures, focused on effective people management; annual engagement surveys; performance-based variable remuneration; succession planning; and talent mapping. The Group aims to minimise the level of recruitment risk through having fair and inclusive recruitment practices in place, completing an annual remuneration review to ensure that remuneration is consistent with the market and providing opportunities for career progression. The Group aims to minimise the level of training and development risk through the implementation of ongoing competency-based training programmes, supporting employees in obtaining external qualifications and having a robust regulatory training programme in place.	**Strategic pillars** 1 2 **Change over year** — **Risk appetite** The Group seeks to avoid this risk in order to achieve its strategic objectives

Risk	Impact	Mitigation	
Resilience			
The risk that the Group fails to absorb, anticipate, adapt to or recover from shocks or stresses to its operations and business processes.	■ Harm to clients, market and the Group if there is an inability to recover from a shock or stress, particularly impacting important business services ■ Financial penalties and/or regulatory censure ■ Reputational damage	Process: A variety of control approaches are in place to mitigate process failure risk including process ownership, proactive continuous risk management to identify and manage critical processes, scenario-based resilience plans and testing. Critical processes are designed to be fault tolerant, allowing elements to be replaced or changed without impacting the overall service. Internal technology: The use of several industry standard approaches to achieve this including resilience by design, proactive monitoring, incident/change/problem management processes, scenario planning and testing and continuous improvement. Supplier/third party: Third party providers are selected through a robust RFP process that carries out diligence checks and establishes reporting/operational practices across all appropriate risk areas. Onboarded third party providers are managed on a continuous basis within a vendor management framework.	**Strategic pillars** 2 **Change over year** — **Risk appetite** The Group aims to maximise resilience with respect to identified critical operational and business services
Information security			
Risk of unauthorised access, use, disclosure, disruption, modification, or destruction of information assets.	■ Client and/or employee harm leading to regulatory censure and/or fines including from the Information Commissioner Office (ICO) ■ Harm to clients and the Group if there is an inability to recover operations ■ Reputational damage	Information security risk is mitigated using a defence in-depth approach in alignment with industry standards, incorporating technical controls and processes and educating our people, all of which is managed and overseen by dedicated personnel.	**Strategic pillars** 2 **Change over year** — **Risk appetite** The Group accepts exposure to elements of risk as a result of providing access to its platform and services over a public network
Regulatory			
The risk that the Group fails to comply with regulatory requirements.	■ Poor client outcomes ■ Regulatory fines and/or censure ■ Reputational damage	The Group has an established Compliance function that analyses regulation and advises on and monitors how our financial services regulatory standards are met. The financial services regulated entities in the Group ensure regulatory standards are met through a framework of policies, procedures, governance, training, horizon scanning, monitoring and engagement with our regulators. Cross-departmental projects are established to deliver significant regulatory changes, with Group Internal Audit undertaking reviews during the project phases and/or post-implementation thematic reviews.	**Strategic pillars** 2 3 **Change over year** — **Risk appetite** The Group aims to comply with regulatory requirements across the jurisdictions in which it operates at all times
Financial crime			
The risk of failure to protect the Group and its clients from financial crime, including internal and external fraud, money laundering, terrorist financing, sanctions violations and market abuse.	■ Loss of client assets resulting in client harm ■ Loss of corporate assets as a result of inadequate financial controls ■ Regulatory censure and/or penalties as a result of facilitating financial crime ■ Reputational damage	The Group has a dedicated Financial Crime Compliance team and a framework of policies, processes and controls in place to reduce the likelihood of the Group being used to further financial crime. Key controls include client and supplier due diligence, bank account verification, segregation of duties, mandatory staff training and monitoring of activity on the platform.	**Strategic pillars** 1 2 3 **Change over year** ↑ **Risk appetite** The Group aims to minimise its exposure through continuous improvement to control and monitoring processes

Strategic pillars

1 Leading functionality 2 Leading service 3 Value for money

Emerging risks and changes to the risk landscape

Through formal quarterly risk and control review meetings with risk owners and other business stakeholders, attending industry events and reviewing external sources, emerging risks and changes to the risk landscape are identified.

These emerging risks and landscape changes by their nature have uncertainty of likelihood and impact on the business, and previously identified risks and are reported and assessed, both at the executive level and, no less than quarterly, at ARCs and, where appropriate, boards. As the landscape evolves, emerging risks may cease to be relevant, be superseded or migrate to the risk register.

Emerging risks landscape changes discussed during 2024 have included:

Title and time horizon	Detail	Relevant strategic pillar
UK elections and change of government Time horizon: near (next 12 months)	For much of the year the impact of the likely change in government meant that future policy, regulatory and legislative agendas were uncertain. However, there was an expectation that there was a likelihood of a range of changes that could impact client investing behaviour, personal taxation and corporate taxation. Considerations that could have impacted the Group included potential changes to pension relief, lifetime pension allowance and changes to employment rights. Their impact on relevant risks were assessed and closely monitored, with relevant actions taken.	1 2 3
Escalating geopolitical tensions Time horizon: ongoing	Ongoing conflicts around the world have the possibility to impact markets, resource security, supply chains, the macroeconomic environment and consumer behaviour and confidence as well as increasing the risk of cyber attacks, particularly state sponsored or politically motivated cyber attacks.	1 2 3
Generative Artificial Intelligence Time horizon: ongoing	Generative AI is a constantly evolving opportunity and risk for the Group. Key areas include business proposition and competitive advantage, workforce education, cybersecurity, workforce impact, data protection and IP risk as well as many ethical and social implications. In order to harness the benefits of AI whilst effectively managing the associated risks it presents to the Group and society, our people must be AI informed; AI awareness training is a core part of AI adoption alongside active monitoring of AI societal, ethical or industry impacts.	1 2 3

Strategic pillars

1 Leading functionality   2 Leading service   3 Value for money

The directors have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Details of the results and conclusions of this assessment can be found in the Going Concern and Viability Statement section on pages 49 and 50.

Going concern and viability statement

The Strategic Report sets out the Group's business model, its strategic objectives and the associated risks, and the annual Financial Review on pages 38 to 42

Going concern is assessed over the 12-month period from when the Annual Report is approved, and requires the board to conclude that the Group has adequate resources to continue its operations and meet its liabilities as they fall due over the next 12 months.

As detailed in the going concern disclosure in the financial statements, on page 114, this is supported by:

- the current financial position of the Group;
- detailed cash flow and working capital projections based on the Group's business plan; and
- stress testing, including consideration of regulatory liquidity and capital requirements, taking account of principal risks and possible adverse changes in both the economic and geopolitical climate.

The board has concluded that the Group has adequate resources to continue its operations, including operating in surplus of the regulatory capital and liquidity requirements imposed by regulators, for a period of at least 12 months from the date this Annual Report is approved. For this reason, they have adopted the going concern basis for the preparation of the financial statements.

Viability statement

In accordance with provision 31 of the Code, the board has assessed the viability of the Group. The directors confirm that they have a reasonable expectation that the Group will continue to meet its liabilities as they fall due over the period of the assessment.

The directors' assessment has been made with consideration and reference to the Group's current position and three-year business plan; the Group's risk appetite; the Group's financial projections; the Group's principal risks and uncertainties; and stress testing relating to uncertainty caused by the economic climate globally and in the UK as well as geopolitical uncertainty.

The key factors affecting the Group's viability and prospects are its growth in the market in which it operates, market position and recurring revenue.

Market growth

As discussed in the Market Overview section of the Strategic Report, the adviser platform market, upon which the Group derives the majority of its revenue, continues to benefit from secular growth tailwinds; sector analyst publication Fundscape predicts a five-year CAGR of 13% in the retail advised platform market in their realistic scenario in their latest forecasts from November 2024.

Market position

Market position can be assessed as follows: independent research consistently rates Transact as the top platform in the market (page 9); the number of advisers using the platform increased by 5% during the year; the number of clients on the platform increased by 2%; and our Net Promoter Score remained the highest score for an adviser platform.

The above measures all demonstrate adviser and client satisfaction with the service provided.

Recurring revenue

The absolute level of revenue is dependent on market values, but key to the recurrence is the retention of FUD. The T4A business also has a level of recurring business through repeat and long-term contracts to provide the CURO service. Maintaining the recurring revenue base across these activities is achieved through retaining clients and advisers through our service delivery. 99% of platform revenue is of a recurring nature (page 40).

Our approach is to focus on organic growth of FUD through positive net flows to the platform. We aim to generate growth of revenue and to control costs, to ensure that the Group's profit margin is resilient over the medium term.

Assessment period and measures

It is the board's view that a three-year time horizon is an appropriate period over which to assess its viability and prospects, and to execute its business plan. This assessment period is consistent with the Group's current business plan projections and the ICARA process and ORSAs of the Group's regulated entities. Consideration is also given to projections beyond this period, though this does not form part of the formal assessment.

The strategy and business plan is approved annually by the board and updated as appropriate. It considers the Group's ongoing ability to attract and retain clients and advisers, net inflows, market growth, profitability, cash flows, capital requirements, dividend payments, and other key variables such as liquidity and the solvency requirements of the regulated entities.

The business plan is also considered under stress and scenario tests, to ensure the business has sufficient flexibility to withstand such impacts by adjusting its plans within the normal course of business and also identify appropriate management actions, if necessary, during periods of stress.

The stress and scenario tests applied are severe, yet plausible, at both an individual and combined level. We recognise the importance that climate change may have on our business and our approach for the current financial year towards climate-related scenarios is set out in our TCFD disclosures on pages 33 to 37.

The key scenarios considered by the board are as follows:

Cyber extortion

A threat actor gains network access, leading to data being stolen and the execution of ransomware. This leads to reputational damage, client compensation and fines.

Undetected bug after system development

A system release with a missed requirement goes undetected for a period of time which causes client transactions to be executed incorrectly. This leads to significant system development resource requirement to correct the issue, as well as reputational damage, client remediation/compensation and fines.

Persistent high inflation and continued market uncertainty

Continued market uncertainty and a return to high inflation for an extended period, in addition to geopolitical instability that depresses markets for a prolonged period, result in a loss of confidence in capital and investment markets. Consequently, there is a detrimental effect on revenues.

UK extreme and prolonged heatwave

Extreme heat in the UK results in the disruption in services of a material outsourced supplier and reduction in ability of employees to effectively service clients. The impact on service and communication leads to reputational damage, client compensation and fines.

Going concern and viability statement continued

Assessment period and measures continued

Unforeseen customer harms as a result of a systemic process failure

Failure by our UK-regulated entities to appropriately identify, implement or embrace appropriate conduct standards which causes consumer harm. This leads to reputational damage, client compensation and fines.

Combined scenario

This scenario considers the impact of a combination of the cyber extortion and persistent high inflation and continued market uncertainty scenarios.

To illustrate the severity of the scenarios modelled, the following table sets out some of the key changes in parameters made in the scenarios. The most severe scenarios modelled assumed a number of these changes occurred within the same scenario during the business planning period.

Assumptions underlying the stress scenarios

Risk factor	Stress applied to base case assumption
Market downturn	A market fall of 33% over a one-month period.
Mass lapse	A 30% drop in the number of clients over three months.
Increase in outflows	A 95% increase in outflow rates for up to 12 months.
Decrease in inflows	A 30% decrease in inflow rates for 12 months.
One-off spikes in operating costs	Up to £15.0 million one-off spike in operating costs depending on the underlying stress scenario.
Expense increase	An expense increase over the business planning period of 10%.

The results of the above stress and scenario tests led to the following conclusions. The assessment was made considering the Group's the three-year business planning period:

- no liquidity issues are expected to arise in the Group; and
- each of the Group's regulated entities has sufficient available capital to cover their regulatory solvency requirements.

Non-financial and sustainability information statement

The Strategic Report includes non-financial information required in accordance with section 414CB of the Companies Act 2006. The most directly relevant non-financial information is signposted below; however, the Strategic Report does touch on these topics briefly in other sections:

S.414CB requirement	Relevant Strategic Report section
Environmental matters	Responsible Business - Environmental matters and climate change, pages 30 to 32 TCFD Disclosures, pages 33 to 37
Employees	Responsible Business – People and Culture , pages 26 and 27, Community, pages 28 and 29, Nomination Committee Report, pages 65 to 67
Social and community	Responsible Business – People and Culture , pages 26 and 27, Community, pages 28 and 29
Human rights	Responsible Business – Community, page 29
Anti-bribery and corruption	Responsible Business – Community, page 29
Business model	Strategy and Business Model, pages 8 to 11
Principal risks and how they are managed	Risk Management, pages 43 to 48
Non-financial key performance indicators	Strategy and Business Model, pages 8 to 11, Key Performance Indicators, pages 12 to 13

Approval of the Strategic Report

A statutory requirement of the Annual Report is that the directors produce a Strategic Report.

Section 172 of the Companies Act states that the purpose of the report is to inform members of the Company and help them assess how the directors have performed their duty. To fulfil this, directors must act in a way they consider, in good faith, would be most likely to "promote the success of the Company for the benefit of its members as a whole".

The Strategic Report should provide shareholders with a comprehensive and balanced overview of the Group's business model, strategy, development, performance, position and future prospects. The Strategic Report should be clear, concise and unambiguous, and should demonstrate how the Company has considered the interest of employees, and the impact of the Company's operations on the community and environment.

The directors believe that the Strategic Report on pages 1 to 50 meets all relevant statutory objectives and requirements.

By order of the board,

Helen Wakeford
Company Secretary
17 December 2024

Corporate governance

Chair's introduction

On behalf of the board, I am pleased to present the report setting out the Group's corporate governance arrangements, which reflect the standards required by the 2018 UK Corporate Governance Code (the 'Code').

The Group's purpose is to make financial planning easier through the provision of efficient financial adviser software, personal service and value for money. Proportionate and effective governance facilitates the Group in the overall delivery of that purpose whilst providing assurance and accountability to all our stakeholders that their interests are paramount.

We continue to abide by the overriding principles of the Code which are designed to:

- promote long-term sustainable success of the Company, business effectiveness, efficiency, responsibility and accountability. Further details relating to this are set out in the long-term consequences of decisions section in the Companies Act Section 172 statement, on page 21;
- provide suitable opportunity for employee engagement in the business. Further details relating to this are set out in the interests of the Group's employees section in the Companies Act Section 172 statement, on page 20;
- assist the effective review and monitoring of the Group's activities;
- help identify and mitigate significant risks to the Group, as set out in our Risk Report on pages 43 to 47; and
- provide the necessary disclosures to stakeholders to make a meaningful analysis of the Group's business activities and its financial position.

Statement of compliance

The Code sets out the principles and provisions relating to good governance of UK listed companies and can be found on the FRC's website at www.frc.org.uk.

The Company has, throughout the year ended 30 September 2024, applied the principles, and complied with the provisions, of the Code except in relation to the following:

Provision 36: The Company's remuneration structure has adopted a vesting period for deferred bonus shares of three years, rather than the Code's recommended five years. Minimum shareholding and post-employment shareholdings requirements are in place for executive directors as recommended by the Code. The Company believes that the executive directors are sufficiently invested in the Company's long-term success and that further restrictions are not currently required.

Provision 38: The Company's Remuneration Policy allows all employees, including executive directors, the option annually to have a portion of their cash bonus contributed into their pension. This does not comply with the Code's requirement for directors that only basic salary should be pensionable. However, none of the executive directors currently take advantage of this provision in the Remuneration Policy. The Company does not intend to change its policy on pension sacrifice for the directors at this time as the arrangement is consistent with the Group's pension policy applicable to all employees.

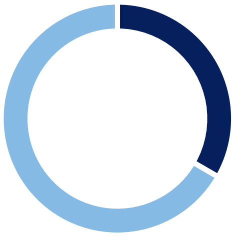
The board is, however, proposing a new Directors' Remuneration Policy this year which, if approved at the AGM, will comply with these provisions.

Richard Cranfield
Chair
17 December 2024

Governance dashboard

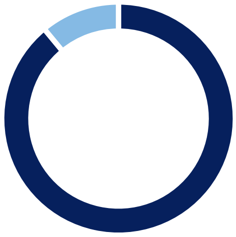
Board composition as at 30 September 2024 (including Jonathan Gunby)

Gender



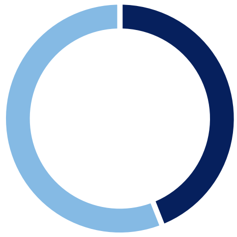
- Female – 33%
- Male – 67%

Ethnicity



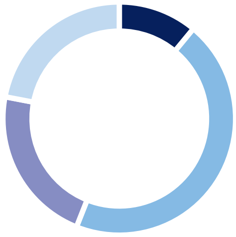
- White – 89%
- Mixed/Multiple ethnic groups – 11%

Board composition



- Executive directors – 44%
- Independent non-executive directors (including the Chair) – 56%

Tenure



- 0-3 years – 11%
- 3-6 years – 45%
- 6-9 years – 22%
- 9 years+ – 22%

Principles of the Code

Board skills matrix disclosure (number of directors)

- Executive/Senior Management Committee Experience
- Actuarial
- Asset/Fund Management
- Audit
- Legal/Compliance/Governance
- Technology
- Insurance
- Customer Outcomes
- Financial Management
- Treasury
- People Leadership
- Risk Management
- Regulation
- Operations
- Outsourcing/Third party Management

Jonathan Gunby stepped down from the board on 30 September 2024 but is included in these reports as he was a director at the end of the financial year.

Board of directors

An experienced board

Board leadership and Company purpose

Our purpose, values and strategy are set out on pages 10 and 11 and describe the Company's focus. The board's focus is to ensure that the Group delivers long-term sustainable value for all stakeholders.

To deliver this the board oversees the maintenance of a sound system of internal controls and continually reviews the overall effectiveness of the Group's risk management systems.

The board also oversees the Group's culture to ensure it is aligned with the Company's purpose, values and strategy.

Board changes during the year

Christopher Munro, Independent Non-Executive Director

Resigned from the board: 15 July 2024

Jonathan Gunby, Executive Director

Resigned from the board: 30 September 2024

Euan Marshall, Executive Director

Appointed to the board: 3 January 2024

Key

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

Richard Cranfield

Non-Executive Chair

Appointed to the board:

26 June 2019

Skills and expertise:

Richard is a qualified solicitor and has an MA in Economics and Law from Cambridge University. His previous experience includes working for Allen & Overy LLP (and its predecessor firm) between 1978 and 2022, being a partner from 1985 to 2021.

External appointments:

Henderson High Income Trust Plc – Non-Executive Director, from 2020.

Alexander Scott

Chief Executive Officer (CEO)

Appointed to the board:

11 February 2014

Skills and expertise:

From November 2010 Alexander was Chief Financial Officer and Head of Risk, becoming a director in July 2011. Alexander became Chief Executive Officer in March 2020.

Alexander has a BSc in Actuarial Science from City University and is a Fellow of the Institute of Actuaries.

External appointments:

None

Euan Marshall

Chief Financial Officer (CFO)

Appointed to the board:

3 January 2024

Skills and expertise:

Euan is a qualified accountant and has over 20 years of financial services experience. Previously Euan held the role of CFO at CMC Markets plc. He joined CMC Markets in 2011 and has held roles including Head of Finance, prior to becoming CFO in 2019. His experience prior to CMC Markets includes work at Barclays, HSBC, and Deloitte.

Euan holds a BSc in Economics and Econometrics from the University of Nottingham and is a CIMA member.

External appointments:

None

Michael Howard

Executive Director

Appointed to the board:

11 February 2014

Skills and expertise:

Michael co-founded the Group in 1999, was Executive Chair of the Group from 2001 until stepping down in October 2017 and becoming an Executive Director. He founded ObjectMastery in Australia in April 1992, which developed the software which underpinned the creation and development of the Transact platform.

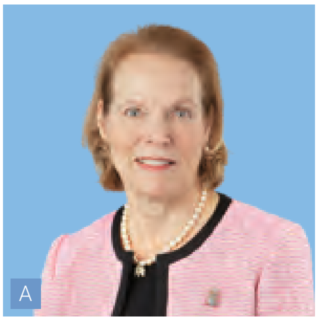
Michael holds a BA in Economics from York University and is a qualified chartered accountant.

External appointments:

None

Caroline Banszky

Independent Non-Executive Director



Appointed to the board:

22 August 2018

Skills and expertise:

Caroline is a qualified Chartered Accountant, having originally trained at what is now KPMG. Her previous experience includes being Chief Executive of The Law Debenture Corporation plc between 2002 and 2016, Chief Operating Officer of SBV Holdings PLC (now Novae Group plc) between 1997 and 2022, Finance Director of N M Rothschild & Sons Limited between 1995 and 1997, non-executive director and chair of A&CC for 3i Group plc between 2014 & 2023 and member of Investment Committee of Open University between 2016 & 2024.

External appointments:

Gore Street Energy Storage Fund plc – Chair of Audit Committee, from 2018

Victoria Cochrane

Senior Independent Non-Executive Director and Designated Non-Executive Director for ESS

Appointed to the board:

28 September 2018

Skills and expertise:

Victoria is a qualified Solicitor, with over 20 years' experience as General Counsel and latterly as Global Head of Risk. Victoria's previous roles include being Non-Executive Director of Perpetual Income and Growth Investment Trust plc between 2015 and 2020; Non-Executive Director of Gloucester Insurance Ltd between 2008 and 2013; Global Executive Board Member of EY between 2008 and 2013; Executive Board Member of EY (NEMIA and UK) between 2006 and 2009; and, Senior Adviser at Bowater Industries Ltd between 2014 and 2015.

External appointments:

DTEK Group – Advisory Council Member, from March 2024

Confederation of British Industries – Non-Executive Director, from 2023

Ninety one plc – Chair of the Audit and Risk Committee, from 2019

Euroclear Bank SA/NV – Non-Executive Director, from 2016

Rita Dhut

Independent Non-Executive Director and Designated Non-Executive Director for Employee Engagement

Appointed to the board:

22 September 2021

Skills and expertise:

Rita has a BSc in Business Studies from City University. Her previous experience includes various positions at Aviva Investors between 2001 and 2012, including Head of European Equities and Head of Pan European Equity Value Investing; and various positions at M&G between 1994 and 2000, including Director of European Equities.

External appointments:

JP Morgan European Investment Trust Plc – Non-executive director, from 2019 and Chair from 2022

Ashoka India Equity Investment Trust Plc – Non-executive director, from 2018

UK Research and Innovation – non-executive director from 2024

Robert Lister

Independent Non-Executive Director

Appointed to the board:

26 June 2019

Skills and expertise:

Robert has a BA in Classics from Oxford University. His previous experience includes Non-Executive Director of Credit Suisse Asset Management (UK) Limited, between 2012 and 2022; Director of Aberdeen Smaller Companies Income Trust PLC, between 2012 and 2022, Non-Executive Director of Investec Wealth and Investment Limited between 2010 and 2020; Director of Rensburg Sheppards PLC, between 2008 and 2010, as well as working for Dresdner Kleinwort Wasserstein between 1998 and 2008 and Barclays de Zoete Wedd between 1983 and 1998.

External appointments:

The Salvation Army International Trustee Company – Director from 2016

The role of the board and its responsibilities

The role of the board

The board recognises the importance of a clear division of responsibilities between executive and non-executive roles and, in particular, a clear delineation of the Chair's responsibility to run the board and the CEO's responsibility for running the Group's business. The roles of Chair, CEO and Senior Independent Director (SID) are clearly defined and have been reviewed and approved by the board. The allocation and division of responsibilities is available on our website here: https://www.integrafin.co.uk/corporate-governance/.

Matters reserved for the board

The board is the main decision making and review body for the Company. It determines the overall strategic direction of the Company and is responsible for the overall management of the Company and the business operations for its subsidiaries.

The board's remit is documented in its terms of reference which include details of matters reserved for the board and matters delegated by the board. The terms of reference are reviewed and updated annually. Matters which are reserved for the board include strategy and management, structure and capital, financial reporting and controls, internal controls, material contracts, communication, board membership and appointments, remuneration and corporate governance matters. The board determines which matters are delegated to committees of the board and the management team.

Independence and time commitment

All of the non-executive directors are considered to be independent, and the Chair was considered to be independent on being appointed to the role. There are a number of ways in which the independence of non-executive directors is safeguarded and in which their time commitments are considered:

- meetings between the Chair and non-executive directors without management present occur regularly;
- the SID meets at least annually with each non-executive director to discuss feedback on the Chair's performance;
- non-executive directors' tenure on the board is reviewed annually by the Nomination Committee (NomCo) as part of board succession planning;
- any external commitments must be disclosed to the board as and when they arise for consideration and approval before accepting; and
- when making new director appointments, the board takes into account other demands on the director's time.

The board has reviewed the other commitments of the non-executive directors and concluded it is satisfied that each remains able to commit sufficient time to dedicate to their role as a director.

Conflicts of interest

The Company's Articles of Association permit the board to consider and authorise situations where a director has an actual, or potential, conflict of interest in relation to the Group. The Company maintains a conflicts of interest register, which is reviewed annually by the NomCo and the board.

In addition, prior to each board meeting, the directors are asked to declare any conflicts they may have with regard to the business meeting. Directors who declare a conflict of interest may be authorised by the rest of the board to participate in decision making in accordance with section 175 of the Companies Act 2006.

The board considers and, if appropriate, authorises any conflicts or potential conflicts of interests of directors and imposes any limitations, qualifications or restrictions as required or as recommended by the NomCo.

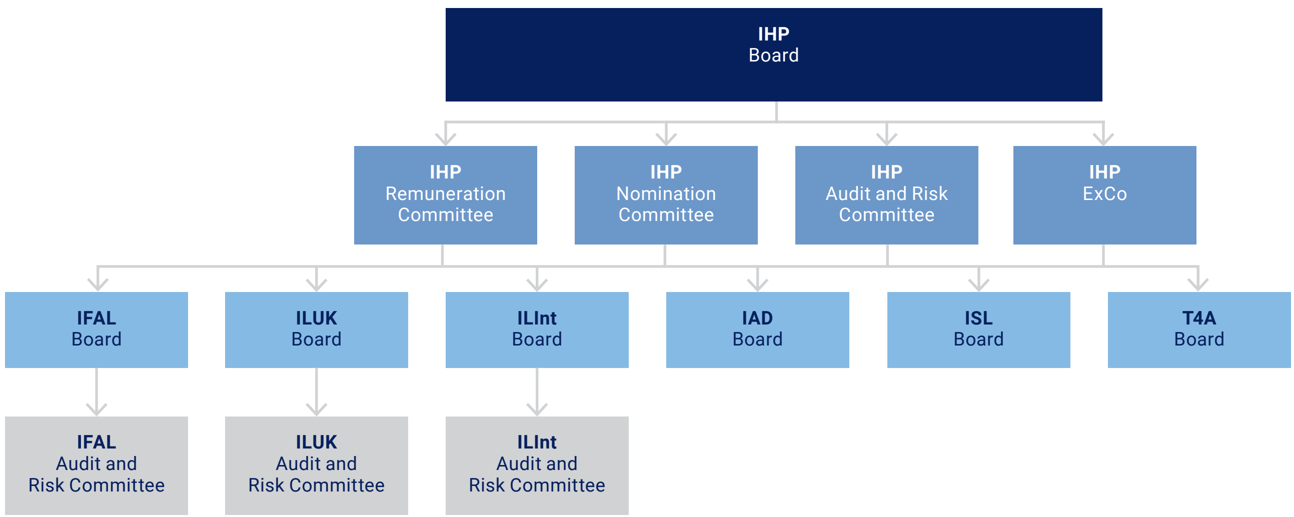
Subsidiary governance

The Group's regulated principal operating subsidiaries carry out their business of providing investment and life insurance activities. Each of the boards of IFAL, IntegraLife UK Limited (ILUK), and IntegraLife International Limited (ILInt) is comprised of a mix of executive and non-executive directors in line with UK (IFAL and ILUK) and Isle of Man (ILInt) regulatory requirements. In each case the membership of the board is made up of a mix of skills and experience relevant to the board, resulting in membership composed of both members with cross directorships within the Group, and members who are independent of any other Group appointment. We believe that this delivers the optimum governance to each entity.

The board and committee governance framework of the main regulated operating subsidiaries is outlined below:

Each operating subsidiary ARC is responsible for overseeing the internal controls and risk management systems for their respective subsidiary and reporting assurances up to the IHP ARC annually that these systems remain effective.

More details of how the board fulfilled its s.172(1) duties in relation to this decision is noted in the "Principal Decisions" section on page 21. Further information on how the Nomination Committee has been involved in subsidiary board composition and succession planning under the new structure is outlined on pages 66 and 67.



Key board activities during the year

Business performance and strategy

- Consider current and future business initiatives
- Approval of the Group strategy including review of business plans and pricing strategy and monitoring performance against strategy
- Review Transact, T4A and wider industry market performance updates
- Review quarterly investor relations updates including analyses of Company share price performance
- Receive updates on and discuss IT infrastructure and systems and IT strategy
- Analysis of recent developments in platform markets

Link to strategy

1 2 3

Link to stakeholders

1 2 3 4 5 6

Risk management controls

- Receive assurance from the boards of the relevant UK subsidiaries that they had implemented the measures required to meet the regulator's expectations of firms' oversight of the implementation of firms' compliance with the Consumer Duty by 31 July 2024
- Receive updates from the IFAL board that it has approved the ICARA
- Review quarterly risk reports
- Approve Group's RMF, Risk Management Policy and Risk Appetite framework
- Receive training
- Oversight of enhancements to risk and control environment

Link to strategy

1 2

Link to stakeholders

1 3 4 6

Finance and reporting

- Review quarterly and half-year results
- Monitor performance and capital position against budget
- Approve Annual Report and financial statements
- Review and approval of dividend payments in accordance with the Group's dividend policy
- Review and approve Group tax strategy
- Review the Group's ongoing internal capital management. During the year IHP plc made an additional investment of £15 million into IFAL
- Review and monitor business plans and projections, including ongoing review of business performance and comparison to market consensus on business performance

Link to strategy

1 3

Link to stakeholders

2 3 4

Sustainability and stakeholder engagement

- Quarterly updates on environmental matters
- Review board Diversity Policy
- Receive HR updates including monitoring culture and employee survey feedback
- Review shareholder feedback from engagement sessions with Chair, Remuneration Committee Chair and Company Secretary

Link to strategy

1 2 3

Link to stakeholders

1 2 3 4 5 6

Governance

- Review board evaluation results and progress of prior year's evaluation actions
- Annual review of policies including whistleblowing, anti-bribery and corruption policy and modern slavery statement
- Receive board committee updates
- Approve AGM documentation

Link to strategy

2

Link to stakeholders

2 3 4

Strategic pillars

1 Leading functionality
2 Leading service
3 Value for money

→ **See Strategy on pages 10 and 11**

Our stakeholders

1 Our clients and advisers
2 Our employees
3 Our regulators
4 Our shareholders
5 Our suppliers
6 Our communities

→ **See Stakeholder engagement on pages 14 to 18**

Composition, succession and evaluation

Board composition

During the majority of the year the Company had four executive directors (including Jonathan Gunby who resigned from the board on 30 September 2024) and five independent non-executive directors (excluding the Chair but including Christopher Munro who resigned from the board on 15 July 2024).

For the majority of the year the Board will meet the Code requirement that at least fifty per-cent of the board (excluding the Chair) is comprised of independent non-executive directors.

Committees

There are three committees of the board: Audit and Risk, Nomination, and Remuneration. The ARC and the Remuneration Committee (RemCo) are wholly non-executive committees, and the members are all independent non-executive directors. The Chair of the board is a member of, and chairs, the NomCo. The other members of the NomCo comprise the SID), the CEO and two other independent non-executive directors, meaning the committee has a majority of independent directors.

The membership and terms of reference of these board committees are reviewed annually. The terms of reference for each committee is available on the Company's website https://www.integrafin.co.uk/corporate-governance/.

Board succession

Following the decision by Christopher Munro to retire from the board, the NomCo appointed an independent search firm to commence the selection process for a new independent non executive member of the IHP board and chair of the RemCo.

Jonathan Gunby announced his intention to retire from the board and will not stand for re-election. The board will continue to assess the composition of the board and its ongoing suitability throughout the year.

Directors' induction

A tailored induction programme is prepared for each new director, based on their individual needs. The programme comprises the following areas:

- Information and materials: a comprehensive library of materials is provided electronically, including prior board and committee papers and minutes, information on Company values and culture, strategy materials, regulatory information, and statutory and governance documentation and policies.
- Scheduled meetings: individual meetings are arranged with key stakeholders and employees to explore in more detail significant aspects of the business and to assist with relationship building between the director and management.

During the financial year, Euan Marshall joined the IHP board as Chief Financial Officer.

Directors' development and training

Each board member is responsible for identifying training appropriate to their needs, and the non-executive directors maintain individual annual training logs. The Chair and Company Secretary ensure continuing training and development for all directors based on individual requirements.

The board carries out periodic 'deep dives' into specific areas of the business in order to broaden the board's understanding of the Group's business and the opportunities and challenges it faces. During the financial year, training and deep dive sessions were facilitated for the directors, covering the following topics:

- Information security, IT security and cyber security
- Update on the new Global Internal Audit Standards
- External ICARA training provided by Deloitte as part of the Risk Management Plan.
- Defence manual planning refresh training
- FCA Sustainability Disclosure Requirements and Product Label regimes

In addition, open Q&A sessions between the directors and management are held periodically to facilitate engagement at the layer below the board.

Board and Committee meetings and attendance

	Board meetings		Audit and Risk Committee		Nomination Committee		Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Caroline Banszky	5	5	6	6	–	–	–	–
Victoria Cochrane[1]	5	5	6	5	6	6	6	6
Richard Cranfield	5	5	–	–	6	6	15	15
Michael Howard	5	5	–	–	–	–	–	–
Robert Lister	5	5	6	6	6	6	16	16
Euan Marshall[2]	4	4	–	–	–	–	–	–
Christopher Munro[3]	4	4	–	–	3	3	10	6
Alexander Scott	5	5	–	–	6	6	–	–
Jonathan Gunby	5	5	–	–	–	–	–	–
Rita Dhut[4]	5	5	6	6	1	0	16	16

1 Victoria Cochrane became a member of the Remuneration Committee from 5 July 2024.

2 Euan Marshall became a member of the board from 3 January 2024.

3 Christopher Munro resigned from the board from 15 July 2024.

4 Rita Dhut became a member of the Nomination Committee from 14 August 2024.

Any absences were due to the short notice of the meeting; all non-executive directors were provided with the materials for the meeting and given an opportunity to provide comments beforehand.

Election and re-election of directors

The Company's Articles of Association require all existing directors to retire from office at each AGM and be eligible for re-election.

Board effectiveness review

In line with best practice and the requirements of the Code, the board and its committees undertake an external evaluation every three years. With the assistance of Independent Audit Ltd, the Company undertook an external evaluation in FY23 and the next external evaluation will be conducted in 2026.

FY23 board evaluation – progress update

Independent Audit Ltd presented their report to the Chair and subsequently to the board in September 2023.

The areas identified for the board to focus on in FY23 and beyond, together with progress, are summarised below:

Area of assessment	Agreed action	Progress
Improved communication to and from subsidiary boards, as well as within the IHP board	IHP board members, subsidiary chairs and committee chairs commit to prioritising improvements to the subsidiary reporting up to the board. There will also be a renewed focus on improving communications outside of formal board meetings.	Whilst some progress has been made, it is acknowledged that further improvement can be made and will be incorporated into the 2025 board evaluation actions.
Improved timeliness of board papers	Too many board papers are arriving after the cut off for submission, thereby reducing directors' ability to properly review. Writers and reviewers therefore commit to more regimented scheduling when drafting papers.	Whilst some progress has been made, it is acknowledged that further improvement can be made and will be incorporated into the 2025 board evaluation actions.
Improved conciseness of papers to the board	Papers are to be shortened and will all include executive summaries. The size of board packs will be reduced to encourage the distillation of key information.	Whilst some progress has been made, it is acknowledged that further improvement can be made and will be incorporated into the 2025 board evaluation actions.

FY24 board evaluation

In 2024 the Company undertook an internal evaluation of the performance of the board and individual directors. The evaluation process is outlined below:

Scope and planning

The Chair and Company Secretary met to determine the proposed scope and approach of the questionnaires to be circulated for completion.

Obtaining feedback

Tailored questionnaires were agreed and loaded in Diligent board software for completion by all directors and other non-board attendees to gain diverse feedback on the board's effectiveness.

Analysing and reporting

The results of the questionnaires were analysed with key themes summarised and a final report presented to the board in September 2024 with actions agreed to take forward.

The areas identified for the board to focus on in 2024 and beyond are summarised below:

- Group and entity strategy sessions reviewing strategy scope.
- Ownership of board cultural change programme led by the Chair with key focus on communication, inclusion and establishing clarity of accountability.
- Induction and transition to new IHP NED.

Chair evaluation

The SID led the performance evaluation of the Chair by meeting separately with each of the executives and NEDs, and the Head of Legal & Company Secretary. The SID then met with the Chair to discuss the directors' feedback and agree actions for 2025 and beyond.

Audit and Risk Committee report

Members*

Caroline Banszky (Chair)
22 August 2018

Victoria Cochrane
28 September 2018

Robert Lister
4 September 2019

Rita Dhut
16 March 2023

* As at 30 September 2024.

Key highlights during the year

- Review of the activities of the subsidiary ARCs
- Assessment and challenge of the appropriateness of the judgements and estimates applied by management in the preparation of the Annual Report
- Oversight of the cybersecurity programme and independent security assurance testing activities conducted on behalf of the Group
- Oversight of ISL key activities for the regulated entities

Key priorities for the year ahead

- oversight of the replacement of financial and risk management software
- Continued subsidiary focus including oversight at a Group level for the embedding of Consumer Duty
- Oversight of the implementation of the updated Corporate Governance Code 2024 audit and risk requirements

Statement from the Chair

I am pleased to present the Audit and Risk Committee's report for the year ended 30 September 2024. The report provides insight into our work undertaken this year and I would thank all members for their contribution throughout the year.

The committee has been mindful of the micro and macro risk environment within which the Group operates and the risks and opportunities that presents. During the year the ARC has considered the impact of changes to be introduced by the FRC Corporate Governance Code 2024, the development of climate-related reporting, operational resilience and has received updates on the UK authorised subsidiaries' compliance with Consumer Duty expectations and embedding.

The committee continues to scrutinise management reporting on internal controls, financial and non-financial reporting, the independence and effectiveness of the External and Internal Audit functions, and risk management. During FY24 the committee continued its oversight of the delivery of the Group's agreed objectives as the strategy continued to be developed and delivered. For the sustainability aspects of this strategy, we have engaged the support of Brite Green, sustainability consultants, to support our journey and have carried out a materiality assessment which will inform the development of our strategy in this area. In addition, the committee continued to review the Company's control environment, including IT and general controls, with a focus on the enhancement of the Group's IT security.

I will be available to answer any questions at the AGM. Further details will be set out in the Notice of AGM.

Further information on the activities of the committee is provided below.

In FY25, the committee will continue to challenge management's assessment of and controls around the principal risks facing the business, both internally and externally. The committee will also continue to focus on the delivery of the sustainability objectives and the development of the Group's RMF. It will continuously assess whether the Group remains within risk appetite and that it is resilient to the ever changing fiscal political, geopolitical, economic and social environment within which we operate.

Caroline Banszky
Chair, Audit and Risk Committee
17 December 2024

Membership and attendance

The committee meets at least four times each year and may meet at other times, as requested by the Chair. The ARC met six times during this financial year. Attendance at the committee is outlined on page 58.

All committee members are independent non-executive directors, consistent with the Corporate Governance Code , with the committee Chair being a qualified accountant. The board also considers the Chair to have recent and relevant financial experience. The board is satisfied that the committee as a whole has an effective balance of skills and experience to perform its responsibilities. Details of each member's skills, education and experience are outlined in the Directors' Biographies on pages 54 and 55.

The committee membership is kept under review by the Chair of the committee, in collaboration with the NomCo.

All committee members are provided with initial and ongoing training to support them in carrying out their duties effectively. During the year, training was made available to the committee on:

- Information security and cyber/technology security
- Update on the new Global Internal Audit Standards
- External wind-down and ICARA training provided by Deloitte
- Defence manual planning refresh training
- FCA Sustainability Disclosure Requirements and Product Label regimes

Regular attendees at committee meetings include the board's Chair, IHP CEO, the IFAL CEO, Group Chief Financial Officer, Platform Group Head of Compliance, Group Chief Risk Officer, Group Counsel, Group Head of Internal Audit, Head of Legal/Company Secretary and the Group's external auditor.

Other non-executive directors and members of management are invited to attend meetings as required.

The committee Chair meets privately with the Group Chief Financial Officer, Group Head of Internal Audit, CRO, Head of Information Security external Audit Partner and Independent Quality Assurance Partner at EY to discuss issued reports and relevant financial and risk reporting and regulatory developments.

Role of the committee

The primary role of the committee is to ensure the integrity of the financial and non-financial reporting and auditing processes and monitor the effectiveness of the Group's internal control, governance and risk management systems. This ensures there are continuing appropriate levels of external and internal audit and risk assessment to cover all material risks (including fraud) and controls, including financial, operational and compliance processes and procedures and non-financial reporting, including in particular, assurance over the Company's compliance with TCFD reporting.

The committee is also responsible for oversight of the Group's relationship with the external auditor. This includes making recommendations to the board in relation to the (re)appointment of the external auditor, approving its scope of work, fees and terms of engagement, as well as regularly reviewing its independence, objectivity and effectiveness.

The detailed responsibilities of the committee are set out in its terms of reference, which can be found at www.integrafin.co.uk/corporate-governance.

Details of the work of the committee in discharging its responsibilities during the financial year are outlined further below.

Key committee activities through the year

Area of consideration	Committee review and conclusion
Financial reporting	During the financial year, the committee: ▪ reviewed and challenged the financial reporting undertaken by the Group, with input and support from the Group's external auditor; ▪ reviewed and considered the disclosures in the Annual Report and financial statements, recommended to the board the published Annual Report and financial statements and Interim report and concluded that the reports were fair, balanced and understandable; ▪ considered the consistency of accounting policies, the financial reporting process and the disclosure of key accounting and financial risks. Further information on the key financial and non-financial risks can be found on pages 45 to 47; and ▪ reviewed the external auditor's report.
Accounting judgements and estimates	▪ The committee assessed and challenged the appropriateness of the judgements and estimates applied by management in the preparation of the Annual Report. The outcomes are provided later in this report.
Group-wide controls	▪ The committee reviewed the progress made on strengthening the risk and control framework, enhancing the risk and control culture and the approach and quality of our risk and control self assessments.
Whistleblowing Champions assurance	▪ A whistleblowing internal audit was undertaken resulting in recommendations including the establishment of a new external whistleblowing hotline. ▪ The Chair of ILUK Audit & Risk Committee is a key contact in the Whistleblowing Policy and fulfils the role of "whistleblower's champion" under the Senior Managers' Regime whilst the Chair of the Audit and Risk Committee has oversight of Whistleblowing for the Group.
Risk management	▪ Using external IT security testing experts, penetration testing was completed across the Group's sites and IT environments including T4A and IAD.
TCFD reporting	▪ The Company has published climate-related reporting in its Annual Report and financial statements based on the TCFD's recommendations. Details on this disclosure can be found on pages 33 to 37. ▪ In preparing the Annual Report and financial statements, the committee was provided with information on the methodology used by management for collecting climate-related data for publication in the Annual Report and financial statements. ▪ The committee reviewed and challenged the climate reporting particularly in respect of emissions and progress against targets and as at the end of the financial year has requested that limited assurance be provided on disclosures and data collection for the financial year.
Oversight	▪ Oversight of the provision of key services by ISL to the regulated entities.
Committee performance review	▪ The committee undertook an internal effectiveness evaluation. We continued to improve the performance of the committee.
Tax matters	▪ The committee reviewed and approved the Group tax strategy and considered updates at meetings.

Accounting judgements and significant issues

Area of consideration	Committee duties discharged and conclusion or action taken
Goodwill impairment assessment	The committee considered the goodwill impairment review of a Group subsidiary, including material management assumptions included in the forecasts used for the value in use calculation. The Committee concluded that no impairment was required and that management's material estimates and sensitivities relating to the assessment should be disclosed in the financial statements.
Provisions and contingent liabilities	The committee concluded that the provisions recorded and contingent liabilities disclosed were an accurate reflection of the Group's position.

Audit and Risk Committee report continued

Going concern and viability

The directors are required to make a statement in the Annual Report on IHP's long-term viability. The committee provided the board with advice on the form and content of that statement. In advance of the year end, the committee reviewed the Group's proposed stress and reverse stress test scenarios and the assumptions underlying them, used to support the Viability statement.

At the year end, management provided a report to the committee setting out its view of IHP's long-term viability and the proposed Viability statement, based on the Group's three-year business plan. This report included, at both an individual Company and consolidated Group level, forecast outcomes of the business plan under the stress scenarios agreed with the committee, detailing capital and liquidity performance against an assessment of risk appetite. The report was produced on financial data to 30 September 2024 and included consideration of various scenarios as set out on pages 49 and 50, both individually and combined.

→ **See Viability Statement on page 49**

The committee discussed whether the choice of a three-year period remained appropriate. It concluded that this remained appropriate due to the nature of the business. Taking account of the assessment of the Group's stress testing results, the committee agreed to recommend the Viability statement and three-year viability period to the board for approval.

The committee concluded that the Group has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment, having considered the potential impacts of various risks, and can continue operations for the foreseeable future. The committee has therefore concluded that the going concern basis is appropriate.

Fair, balanced and understandable assessment

The committee also undertakes a wider review of the content of the Annual Report and financial statements to advise the board as to whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. This supports the board in providing the confirmations set out on page 98 of the Statement of Directors' Responsibilities.

In considering the wider content of the Annual Report and financial statements, the committee pays particular attention to ensuring the narrative sections provide context for, and are consistent with, the financial statements, and that an appropriate balance is struck between the articulation of successes, opportunities, challenges and risks.

The committee concluded that, taken as a whole, the Interim and Annual Reports were fair, balanced and understandable and provided the information necessary for shareholders, and other stakeholders, to assess the Group's position and performance, business model and strategy.

Risk management

The committee oversees risk and control matters at a Group level, with matters which are specific to the regulated entities overseen by the three regulated subsidiary ARCs. Consistency is achieved through the application, across all entities, of the Group Risk Management Policy and Framework.

Each subsidiary ARC has terms of reference outlining its responsibilities and the committee receives updates at each meeting on key areas for escalation from each committee Chair including Consumer Duty, service issues, risk events, regulatory requests and non-standard assets.

During the financial year, the ARC:

- oversaw the risk appetite statements and RMF and reviewed its effectiveness in relation to IHP, and how Group companies have implemented the framework;
- received updates on the completion of regulatory activities by authorised Group companies including the completion of the ICARA and ORSAs;
- reviewed and recommended policies for approval to the IHP board including the Stress Testing Policy, Whistleblowing Policy and the External Auditor Policy;
- provided risk oversight support to ISL and T4A;
- reviewed the regular quarterly risk reports presented by Group Risk Management to ensure the business continues to operate effectively with the appropriate risk profile under the hybrid working model;
- reviewed and challenged the Risk Reports presented by Group Risk Management, and considered the progress of management action taken in order to address management points raised on IHP specific risks;
- received quarterly updates on environmental matters;
- considered the climate-related risks and opportunities facing the Group and how the regulated entities have assessed the impact;
- reviewed and assessed the Group's principal risks, uncertainties and emerging risks and updated them as appropriate;
- assurance was sought from the Chairs of the IFAL, ILUK and ILInt ARCs that management points raised have been addressed through appropriate management actions;
- assisted the board in maintaining an appropriate culture within the Group, which emphasises and demonstrates the benefits of the risk-based management of the Group; and
- considered the points escalated from the Group Company boards or committees which affect IHP, or the Group as a whole.

→ **More details on the Group's risk management processes are outlined on pages 43 and 44**

Internal controls

The committee provides assurance to the board on the effectiveness of the Group's risk management and internal control framework. A key aspect of this is the review of all material controls, including reporting, financial, operational and compliance controls, that identify, assess, manage and monitor top risks, which are an important aspect of ensuring the integrity of the Group's financial statements as a whole and facilitate achievement of strategic objectives.

The Group's internal controls comprise elements that together provide an effective and efficient framework, enabling the Group to prepare for, and if necessary, respond, to a variety of operational, financial and commercial risks.

During the financial year, the committee:

- received reports from management on the effectiveness of internal controls including over critical IT and information security risks and financial crime risks encompassing the detection and prevention of fraud, bribery and corruption, money laundering and market abuse;
- reviewed the Group definition of material contracts prior to approval by the board;
- enhanced the Group's definition of material controls which were recommended to the board for approval;
- reviewed annual control self-attestations received from senior management;
- received quarterly reports from the Group risk management function on the RMF which monitors top risks against risk appetite and target risk scores;
- received regular reports from the Group Internal Audit function on the sufficiency and effectiveness of the internal controls in those areas of the business included in the Group Internal Audit Plan for the period. Actions identified through internal audits are regularly monitored and challenged throughout the process until the required action has been achieved; and
- reviewed the Group Head of Internal Audit's annual assessment of the Group's risk management, governance and internal control framework that included thematic internal control observations and risk and control culture enhancements.

The committee also received updates from management on progress to comply with the 2024 UK Corporate Code which will apply to the Company from 1 October 2025. This includes setting out a revised framework of prudent and effective controls to provide a stronger basis for reporting on and evidencing their effectiveness which will apply from 1 October 2026.

Internal audit

The Group Internal Audit department is focused on the delivery of internal audit services to the Group.

To do this, the Group Internal Audit department performs independent, objective assurance and advisory services designed to add value and enhance risk management, governance and internal controls. The committee monitors the scope, activity and resource of the Group Internal Audit department formally on a quarterly basis, and regularly meets with the Group Head of Internal Audit without executive management present. In June 2024, we were pleased that the Group Internal Audit department was awarded 'Outstanding team in Financial Services' by the Institute of Internal Auditors demonstrating the high quality of services provided.

During the financial year, the committee:

- approved the Group Internal Audit Charter setting out the Group Internal Audit department's purpose, mandate, authority, scope and responsibility;
- approved the 12-month Group Internal Audit Plan and resource, including proposed changes to the plan each quarter to ensure alignment with the Group's key risks. In setting the plan, Group Internal Audit consider the business strategy, regulatory priorities and its independent view of current, emerging and systematic risks;
- received and reviewed Group Internal Audit reports at committee meetings including detailed review of any recommendations made to management, management's action plans, and views over risk and control culture and consumer outcomes;
- monitored the status of any open management action plans including receiving updates from the Chair of the IFAL, ILUK and ILInt ARCs on the management actions in response to the findings and recommendations of internal audit reports pertaining to those entities;
- reviewed all Group Internal Audit reporting escalated by either the IFAL, ILUK, or ILInt ARCs, or activities within other companies in the Group, which represent a significant risk to the Group as a whole;
- noted the conclusion of the annual Internal Audit assessment that there were no significant deficiencies that would need to be disclosed in the Annual Report;
- approved proposed changes to internal audit methodology and practices to ensure conformance with new Global Internal Audit Standards and updated Internal Audit Code of Practice.

Audit and Risk Committee report continued

Internal audit continued

There were several internal audit engagements completed during FY24, in line with the approved Group Internal Audit Plan. The results of these internal audit engagements were reported and discussed and follow up actions were reviewed or requested where necessary. The internal audit engagements included, but were not limited to, payments and fraud controls, transfers out, whistleblowing process, incident response and Transact Online security, CASS, operational resilience and financial models.

The Group Internal Audit function also completed its annual assessment of the Group's risk management and key internal controls relating to the Group's major business processes and top risks that included an evaluation of the Group's annual fraud risk assessment.

Effectiveness and independence of Group Internal Audit function

During the financial year, the committee performed its annual assessment on the independence and effectiveness of the Group Internal Audit function and concluded that the function is working effectively and independently in line with relevant professional standards and that the team was appropriately qualified and staffed. A private session also took place between each of the four ARCs (see structure on page 56) and the Group Head of Internal Audit. The subsidiary and IHP ARC sessions took place in September 2024.

External auditor

Tenure

The last tender for the external auditor was conducted in 2021, when EY was appointed as the Group's external auditor. EY's reappointment was ratified by shareholders at the 2024 AGM. Mike Gaylor has been the lead audit partner for three years.

Scope of the external audit plan and fee proposal

During the financial year, the committee:

- reviewed EY's overall work plan;
- advised EY, through regular communication, of any specific matters which the committee was considering from previous audits and current operations;
- approved EY's remuneration and terms of engagement, taking into consideration feedback from the three operating subsidiary ARCs;
- assessed EY's independence and objectivity;
- reviewed and approved external auditor fees;
- approved revisions to the External Auditor Policy in relation to the provision of non-audit services and hiring of ex-employees;
- considered quarterly reporting on non-audit services and audit-related non-audit services provided by EY; and
- assessed the effectiveness of the external audit.

External auditor independence and non-audit services

In order to safeguard the independence and objectivity of the external auditor, the ARC is responsible for the development, implementation and monitoring of the Group's policy on the provision of non-audit services and oversight of the hiring of personnel from the external auditor, should this occur. The committee must pre-approve any non-audit services in line with the requirements of the FRC's Revised Ethical Standard 2019. The committee received a report at each meeting detailing fees paid and proposed for an non-audit work by the external auditors. During the year ended 30 September 2024, EY provided non-audit services, however, all services provided fall under categories explicitly permitted under the Revised Ethical Standard 2019. The fees are disclosed in note 8 to the financial statements and stated as other assurance services.

Effectiveness of external audit process

The ARC is responsible for assessing the qualifications, expertise and resources of the external auditor and for reviewing the effectiveness of the external audit process. As part of this process, the views from executive management, including leadership at ISL, IAD and T4A, ARC members and the Chairs of the three subsidiary ARCs are sought on the following:

- the efficiency of the year-end process;
- the quality of the audit partner and team;
- the planning and execution of the audit;
- quality of audit reporting and delivery;
- extent and nature of challenge demonstrated by EY in its work and interaction with management; and
- EY's independence and objectivity.

The committee also reviews the FRC's annual Audit Quality Inspection and Supervision Report of EY and received a report from EY on its own internal quality control procedures.

The Chair met with Andy Bates UK Financial Services Head of Audit to discuss the external audit process. It was confirmed that all internal reviews had been completed, paperwork provided and audit queries answered and there was nothing to draw to the Chair's attention.

The responses indicated that, overall, EY was performing in line with expectations and has demonstrated challenge and professional scepticism in performing its role. The ARC concluded that the external audit process was effective and the committee remains satisfied that EY continues to display the necessary attributes of independence and objectivity. Accordingly, the committee has recommended to the board a proposal for the reappointment of EY as external auditor at the next AGM.

Committee self-evaluation

The following provides an update on progress against areas agreed as priority areas of focus for the committee in 2023

Area of focus	Progress
Schedule a risk identification deep dive session	In depth discussions relating to risk management and identification including agreeing the quarterly risk report together with horizon scanning
The induction and transition of responsibilities to the incoming Group CFO	Successfully completed
Monitor developments in relation to the BEIS corporate governance and audit	During the year the committee has considered the changes introduced by the Corporate Governance Code 2024 and the development of climate reform and ESG related reporting

The following areas were agreed as priority areas of focus for the committee in 2024

- Continued focus on effective agenda, paper quality and meeting management
- Review of risk appetite framework and ongoing reviews
- Disaster Recovery, including following a cyber incident with training to be delivered

Nomination Committee report

Statement from the Chair

I am pleased to present the Nomination Committee's report for 2024. Following the retirement of Christopher Munro in July 2024, we welcomed Rita Dhut to the committee whilst we undertook the search for our new non-executive director. I would like to extend my thanks to all members for their work throughout the year.

The committee meets at least once each year and may meet at other times as requested by the Chair. The committee met six times during the financial year, due to the committee's wider remit of oversight of subsidiary board succession planning and increased senior management succession planning. The committee's attendance is outlined on page 58.

During the year the committee supported the appointment of a new chair for the IFAL board, a new independent non-executive director of the ILUK ARC and commenced the search for a new independent non-executive director of the IHP board and RemCo chair. The committee also considered the suitability and appropriateness of various executive and senior management function appointments within the Group.

Richard Cranfield
Chair, Nomination Committee
17 December 2024

Members*

Richard Cranfield (Chair)
1 August 2019

Victoria Cochrane
28 September 2018

Rita Dhut
14 August 2024

Robert Lister
16 March 2023

Alexander Scott
2 March 2020

* As at 30 September 2024.

Key highlights during the year

- Supporting the appointment of the chair to the IFAL board, a new independent non-executive director to the ILUK Audit and Risk Committee
- undertaking the search for a new independent non-executive director of the IHP board and chair of the RemCo

Key priorities for the year ahead

- Develop the succession plan for executive and senior management roles
- Recommending the appointment of an additional independent non-executive IFAL director

Role and composition of the committee

The primary purpose of the committee is to develop, maintain and to lead the process for board and committee appointments and reappointments to the boards and committees, including making recommendations to the relevant board. The committee will also ensure that plans are in place for orderly succession to both the board and senior management positions for the Group and oversee the development of a diverse pipeline.

The committee regularly reviews the size and composition of the boards to ensure that the necessary skills, knowledge and experience are available and to ensure that boards are balanced and that high standards of corporate governance are met on an ongoing basis.

The role and responsibilities of the NomCo are set out in its terms of reference which can be found at www.integrafin.co.uk/corporate-governance.

The majority of members of the NomCo are independent non-executive directors. The Chair of the board chairs the committee, however, he is not permitted to chair when the committee is dealing with nominating a successor to the Chair.

The CEO is a member of the committee. We believe that the CEO contributes valuable insight into the composition of the management team, interaction of the board with management and cultural fit of candidates to the board and senior management team and that his membership of the committee does not affect the independent decision making by the committee. The CEO recuses himself from any discussion or recommendation about himself.

Nomination Committee report continued

Directors' induction

The programme comprises the following areas:

Information and materials

Materials are provided electronically including prior board and committee papers and minutes, regulatory information and statutory and governance documentation.

Scheduled meetings

Individual meetings are arranged with executives and senior management to understand key areas of the business and assist with relationship building.

eLearning

A full library of eLearning modules is made available to all new directors covering a range of regulatory and operational matters.

Directors' development and training

The Group provides initial and ongoing training for committee members, to support them in carrying out their duties effectively. This is delivered through in-house technical employees, through the attendance at formal conferences, as required, and an in-house training programme.

Each board member is responsible for identifying any specific ongoing training needs and non-executives maintain individual training logs.

The Company arranges deep dive training days throughout the year for non-executives, on topics relating to commercial, regulatory or legal matters directly affecting the Group. Topics covered in the year include:

- strategy and business environment;
- Consumer Duty;
- FCA priorities;
- cyber risk and IT security;
- data privacy and information security;
- outsourcing; and
- culture and workforce engagement.

Non-executive directors have open agenda meetings with managers below the board to facilitate engagement beyond the board.

Election and re-election of directors

The Company's Articles of Association require all directors to retire from office at each AGM and be eligible for re-election.

With the exception of Jonathan Gunby, all directors who served on the board on 30 September 2024 will be standing for re-election at the AGM.

Jonathan Gunby resigned from the board on 17 July 2024 and is not standing for re-election.

Independence and time commitment

All the non-executive director are considered to be independent and the Chair was considered to be independent upon appointment to the role. There are a number of ways in which the independence of the non-executive directors is safeguarded and in which time commitments are considered:

- the SID meets at least annually with each non-executive director to discuss and seek feedback on the chair's performance;
- the Chair conducts performance reviews for the CEO, non-executive directors and subsidiary board chairs;
- non-executive director tenure is reviewed annually by the committee as part of board succession planning;
- any external commitments must be disclosed to the board and approval of the Chair must be given to ensure time commitment to the Company is not impaired; and
- when making new appointments, the board considers other demands on directors' time.

The committee has considered the commitments of all non-executive directors and recommended to the board that each non-executive director remains able to commit sufficient time to dedicate to their role as a director.

Conflicts of interest

The Company's Articles of Association permit the board to consider and authorise situations where a director has an actual, or a potential, conflict of interest in relation to the Group. The Company maintains a conflicts of interest register.

In addition, at the start of each board meeting, the directors are asked to declare any conflicts that they may have with regard to the business of the meeting. Directors who declare a conflict may be authorised by the rest of the board to participate in decision making in accordance with section 175 of the Companies Act 2006.

When considering and, if appropriate, authorising any conflict or potential conflict, the board may impose limitations, qualifications or restrictions it requires as recommended by the committee.

Succession planning

IHP board succession planning

Christopher Munro and Jonathan Gunby both announced their retirement from the board in FY24. Euan Marshall was appointed to the board with effect from 3 January 2024.

In light of these changes the committee reviewed the size, composition, diversity and skill set of the board and its committees and in the summer months, a search was undertaken for a new non-executive director to join the IHP board as non-executive member and chair of the RemCo following the retirement of Christopher Munro.

The committee also considered the skills and tenure of the non-executive directors. We continue to keep in mind the profile of our board members and formulate our succession planning accordingly.

Subsidiary board and committee succession planning

During the financial year, the committee assisted the regulated operating subsidiaries. We supported the process of recruiting a new a non-executive member and Chair of the IFAL board. We also supported the process of recruiting a non-executive member of ILUK Audit and Risk Committee.

Senior management succession planning

Senior management succession planning continues to be a key focus of shareholders and the committee. With the appointment of the CFO, the committee is satisfied that the management succession plan is strengthened but maintains oversight of developments to ensure a resilient pipeline which will support the future success of the business.

The board secured the services of Odgers Berndtson, Korn Ferry and Egon Zehnder in the executive and non-executive recruitment during the year. No directors have connections with any of the firms engaged.

Diversity, equity and inclusion

Inclusivity throughout the business is important to us and we continue to focus on this by developing our diverse talent pipeline. The board supports the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity. I am pleased to say that we have 33% representation of women on our board (FY23: 33%) and 50% female representation in roles which we define internally as our senior management equivalent (FY23: 57%). In addition, one member on our board is ethnically diverse (FY23: one) and our SID is female.

We recognise that developing diverse talent at the executive, senior management and direct report levels is important and this will be considered in the Group's ongoing leadership succession plans.

Board Diversity Policy

The board has a Diversity Policy which is reviewed and assessed annually.

New appointments to any Group or subsidiary board are made on merit, taking into account the different skills, industry experience, independence, knowledge and background required to achieve a balanced and effective board. When identifying suitable candidates for appointment to any Group board, we consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the board.

Board and executive management diversity policies

The Group has an Equal Opportunities Policy which applies to all employees. We are proud to have a culture of developing our workforce to provide opportunities for promotion within the organisation, alongside recruiting external talent to enhance diversity of thought. Internal opportunities not only include traditional vertical promotions, but in many cases opportunities to move to different departments within the Group and learn new skills or undertake professional development. This approach ensures that we develop a pool of talented individuals who may have the potential for succession into senior roles. We support employees by providing relevant training, assistance and resources to help them succeed in their new roles. In the last year, 42 employees accepted internal job opportunities (FY23: 72). In contrast, 75 job opportunities were filled by employees hired externally (FY23: 112).

Reporting on gender or sex as at 30 September 2024

	Number of board members	Percentage of the board	Number of senior positions on the board	Number of executive management	Percentage of executive management
Men	**6**	**67%**	**3**	**5**	**50%**
Women	**3**	**33%**	**1**	**5**	**50%**
Prefer not to say	–	–	–	–	–

As at 30 September, the board is comprised of 33% women. Appointments to Group or subsidiary boards are made on merit with due regard for the benefits of diversity on the board.

Anonymous surveys are undertaken for executive directors and below asking for the provision of information based on a series of questions including ethnicity and gender. Non-executive directors have approved disclosures relating to information covering the board in the annual reporting process.

Reporting on ethnicity as at 30 September 2024

	Number of board members	Percentage of the board	Number of senior positions on the board	Number of executive management	Percentage of executive management
White British or other white (including minority-white groups)	**7**	**78%**	**4**	**9**	**90%**
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	**1**	**11%**	–	**1**	**10%**
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	**1**	**11%**	–	–	–

Jonathan Gunby stepped down from the board on 30 September 2024 but is included in these reports as he was a director at the end of the financial year.

Directors' remuneration report

Annual statement by the Chair of the Remuneration Committee (unaudited)

Statement from the Chair

Remuneration overview

As interim Chair of the Remuneration Committee at the end of the financial year, I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2024.

The report is set out in five sections:

- this letter which summarises our remuneration ethos, and the key decisions made by the committee during the year;
- a summary of our current Remuneration Policy "at a glance" along with the outcomes for our executive directors which can be found on pages 71 to 73;
- a summary of our proposed new Directors' Remuneration Policy and our approach to directors' remuneration for FY25 to be found on pages 73 and 74;
- the proposed new Policy on pages 75 to 81; and
- our annual Directors' Remuneration Report, which can be found on pages 81 to 94, and sets out how the committee has delivered its responsibilities throughout the year.

Our current Directors' Remuneration Policy was approved by over 92% of shareholders at the 2022 AGM.

Remuneration Committee composition

With Christopher Munro stepping down from the board and the committee, I was appointed interim Chair during the year and Victoria Cochrane stepped in as an additional member pending the selection and recruitment of a new Chair of the committee. The Nomination Committee has undertaken a search and will be recommending the appointment of a new non-executive director and Chair of the committee in due course.

New Remuneration Policy

The committee's principal activity during FY24 was the development of a new Directors' Remuneration Policy which is set out in this report and will be tabled for shareholder approval at the forthcoming AGM in 2025.

This is the first significant Remuneration Policy review since IPO in 2018 and, as such, the committee has been keen to ensure that it resulted in an effective remuneration package. We spent some time considering an incentive plan design which would work for IntegraFin. A key consideration was that the business model of IntegraFin suits simplicity of approach. A 'high risk, high incentive' approach would be inconsistent with our business model and our culture. We were also conscious that our new incentive model would be cascaded to the senior team, and therefore incorporating alignment and line of sight were important to our aims.

As well as the overall structure we also considered the quantum and the levels of incentives and base salary for our executive directors. Our proposals include step change increases to both maximum incentives and the CEO's base salary. However, the proposed increases to incentives and the overall reward result in a structure which remains modest against FTSE and sector peers and delivers an overall package positioned at the lower end of market practice.

We undertook significant shareholder consultation in the development of the new Policy, and we evolved our approach taking into account shareholder feedback. Our proposed new Combined Incentive Plan (CIP) will be based primarily on annual performance and will have a maximum out-turn of 200%, which for FY25 will be a maximum of 200% for the CEO and 180% for other executive directors. Key features include the following:

- Introducing hard financial and non-financial targets – Recognising previous shareholder feedback on the discretionary nature of our incentive plan, we are introducing defined financial and non-financial targets which will apply to a significant proportion of the plan and we are retaining but down-weighting the discretionary element.
- Long-term features – Our new approach includes a significant quantity deferred into shares. We will have a long-term performance underpin for a portion of the shares and, for executive directors, a further holding period. The proposed incentive model will therefore be significantly tilted to the longer term.

We undertook two rounds of shareholder consultation during the development of the Policy and offered meetings to just under 50% of our shareholder base. We had meetings with a significant majority of these shareholders. During the shareholder consultation process, we heard a wide range of views. Shareholders were generally supportive of the uplift to incentives and to the CEO's salary. On incentive design and performance measures, we heard a mix of views.

Some shareholders would have preferred us to propose a more traditional LTIP model, but generally shareholders were receptive to the rationale for our proposed approach and appreciative of the features above.
In particular shareholders liked the increased transparency via quantifiable targets, long-term underpins and holding periods for alignment to shareholder interests. These were seen as a significant step forward compared to the current approach to variable remuneration.

Overall we believe that our approach delivers a design which reflects the Company's approach to responsible remuneration, allows the attraction and retention of talent and supports the long-term success of the Group.

The proposed new policy is set out on pages 75 to 81, and a summary of the policy can be found on pages 73 and 74.

CEO salary adjustment

As part of the policy review we also considered the salary level for the CEO. Alexander Scott has been in role for four years, and our review of market data suggested that his current salary level was significantly below the level appropriate for the CEO position. When deliberating a salary adjustment we took into account a number of different considerations, including internal relativities and the impact this was having on hiring senior talent, and positioning against the market.

Following consultation with shareholders, we decided to increase his salary by 13.1% to £545,000. This increase comprised:

- an inflationary increase of 4.5% which was backdated to apply from 1 June 2024 (aligned to our workforce increase); and
- a further step change adjustment of 8.3% which would apply from 1 October 2024.

While we recognised that an increase to both incentives and salary had a multiplier impact on overall remuneration, our view is that the resultant total compensation level continues to be relatively modest against practice in listed companies. Shareholders we consulted with were generally supportive of our approach.

CFO appointment

The Group undertook several planned changes of the board during the year. We welcomed Euan Marshall as CFO to the Group in January.

At the time of Euan's appointment, the committee had begun the process of reviewing the variable framework for executive directors. In order to ensure we had flexibility in how we developed the policy, we structured Euan's package as a two part offer with a base salary of £375,000 and a pensionable and bonusable cash supplement of up to £50,000, but with a contractual commitment that salary would become £425,000 if the current incentive policy maximum were to continue.

Euan was awarded a salary increase of 4.5% effective 1 June so that his salary as at 30 September was £391,875 plus the cash supplement, which remained unchanged. This increase was the same as the 4.5% awarded to other executives and the wider workforce.

When the design of the new Policy was finalised, to ensure alignment to deliver the expected total compensation out-turns, the committee revised his base salary to £400,611 with effect from 1 November 2024. The final salary was therefore, as anticipated, set at a level lower than the salary of £425,000 which was contractually agreed if the current policy maximum had continued.

As part of his recruitment it was necessary for the committee to award a buyout in relation to awards forfeited from his previous employment. More details are set out on page 90 of the Remuneration Report.

Other board changes

Jonathan Gunby retired from the board on 30 September. He remains an employee of the Group and a director and Chief Executive Officer of IFAL. He received a variable award in respect of his service as an executive director of the Company and the Group in FY24.

Chair fees

In late 2023, the committee undertook a review of the fee for the Chair of the board in light of the time commitment and work required by the Chair in the delivery of his duties. The committee considered carefully the market context and appropriate peers in the financial services sector and determined that a stepped approach was most appropriate. In January 2024 the committee approved an interim fee adjustment from £140,000 to £180,000 backdated to 1 October 2023 and at the end of the financial year the committee approved a further step increase to £220,000 with effect from 1 October 2024.

Remuneration outcomes for year ended 30 September 2024

For the financial year 2024, the Company achieved financial results ahead of plan with PBT of £68.9 million (10% increase on prior year). Financial performance is set out in more detail on pages 38 to 42 of this report. The FUD at was at record level and ahead of plan at period end. The platform recorded strong gross flows in a weaker market with net inflows only marginally down on target. Service standards have been maintained and the platform has performed well in adviser and client surveys, winning the "Best Platform for Advisers" at the Professional Adviser Awards and "Best Service for Paraplanners (new business)" at the Annual Paraplanner Awards. Progress has been made with the development of CURO PP however more development is being undertaken to widen the user market.

For the year end 30 September 2024, the performance framework has utilised the more discretionary approach to variable awards under our current Remuneration Policy, based on our four anchors of financial performance; stakeholder outcomes; risk, regulation and ESG; and strategy delivery. As in previous years, a portion of the bonus is paid in cash and a portion is deferred into shares.

Directors' bonuses were awarded within the parameters of the existing Policy. Alexander was awarded a cash bonus of 26% and a bonus award deferred into shares of 29%. Jonathan was awarded a cash bonus of 25% and a bonus award deferred into shares of 27%. Euan Marshall was awarded a cash bonus of 31% and a target bonus award deferred into shares of 33%. Michael Howard did not receive a bonus. The committee considered that these bonus awards were a fair reflection of the Company's overall performance.

In making these awards, by assessment against the anchors, the Remuneration Committee considered the performance of the Company over the financial year against its strategic objectives; the business plans approved by the board; market consensus; regulatory requirements; and the current state of financial markets. Variable awards have been assessed against the extent to which deliverables have been achieved.

Directors' remuneration report continued

Statement from the Chair continued

Executive director salaries

The Company and the committee reviewed workforce salaries in June. The average award to all employees who were eligible for an increase was 4.5%. Salary increases for executive directors were also considered, carefully taking into account the competitive positioning of their packages as against the market, as well as the context of the new Remuneration Policy. As a result, awards were made of 4.5% for Alexander, Jonathan and Euan, effective from 1 June, which was equal to the average for all employees.

Pensions

Whilst the pension policy for executive directors is equivalent to that of the workforce, Alexander, Jonathan and Euan have elected not to take advantage of the salary sacrifice arrangement and to limit their contributions to the 9% provided under the contractual enrolment scheme. As a result, at 9%, the actual employer pension contributions made in respect of executive directors are below the 12.3% of basic salary contribution available to all employees. From FY24, the committee has ended the opportunity for executive directors to sacrifice any element of their bonus into their pension. Our current pension arrangements therefore align with the Corporate Governance Code as regards the alignment of executive pensions with the wider workforce.

Alignment with shareholders

We are mindful of our stakeholders and are keen to ensure a demonstrable link between reward and value creation. It remains one of our key principles to deliver an attractive proposition to our customers, shareholders and employees and hence to implement a reward framework that shares success responsibly and appropriately between these stakeholders. We remain committed to an open and ongoing dialogue with our shareholders regarding executive remuneration and we welcome feedback. I would like to thank all shareholders who took part in the shareholder consultation process as we developed our new remuneration approach.

To support the implementation of our new Policy we will also be proposing a resolution for a new share plan which will allow share awards to be made to executive directors and other senior executives under the CIP.

I hope that you find this year's report informative and you will support our remuneration resolutions at the forthcoming AGM.

Signed on behalf of the IHP Remuneration Committee,

Rita Dhut
Interim Chair, Remuneration Committee
17 December 2024

This report has been prepared in accordance with the provisions of the Companies Act 2006 and the Large and Medium-Sized Companies and Groups Regulations 2013, as amended. It also meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules.

The Report describes how the board has complied with the provisions set out in the UK Corporate Governance Code 2018 relating to remuneration matters.

UK Corporate Governance Code – Provision 40

When developing the DRP and considering its implementation, the committee was mindful of the UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following considerations:

Area of focus	Our approach
Clarity	■ Our remuneration framework for executives supports the strategic objectives of the Company, and is communicated to stakeholders, including shareholders and employees in a clear and transparent way.
Simplicity	■ We operate a remuneration framework for our executives and our wider workforce that is simple in nature and well understood by participants. ■ Our new CIP is a simple model that aligns out-turns for our most senior managers with those experienced by our shareholders.
Risk	■ We believe our approach to performance measurement supports appropriate consideration of risk management and a long-term view of the business based on sustainable growth. Total remuneration is structured in a way which does not encourage short-term risk taking in order to deliver financial outcomes for executives.
Predictability	■ The new Policy sets out the possible future values of remuneration which executive directors could receive – see pages 71 and 72 for more details.
Proportionality	■ Our executive director remuneration is measured and proportionate and remains modest in comparison with peer group FTSE 250 firms.
Alignment to culture	■ Our remuneration structure is designed to be responsible, inclusive, aligned with stakeholder interests, and to ensure we reward on merit. We consider that our approach reflects our culture.

1. Directors' remuneration 'at a glance'

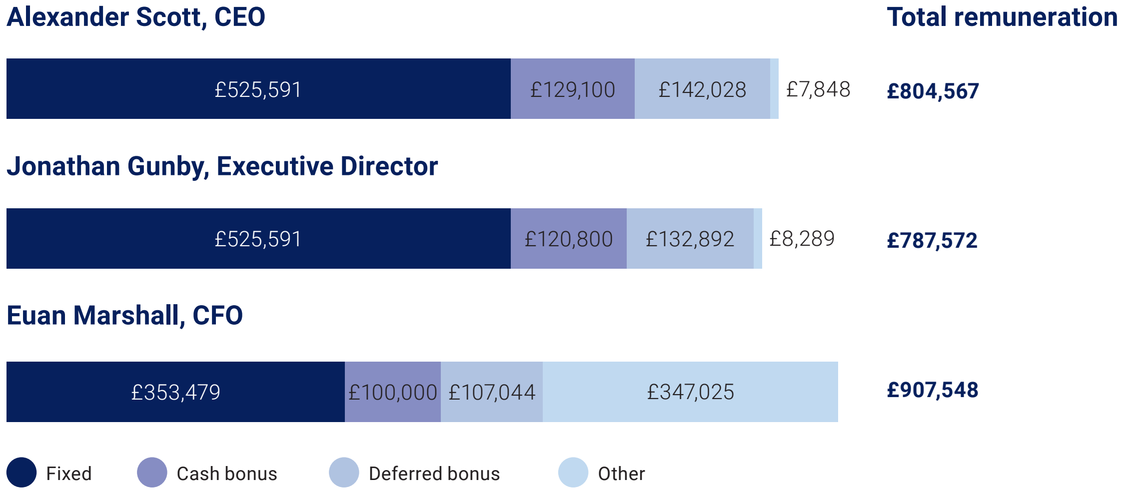
Element	Operation	Out-turns FY24 and implementation in FY25
Base salary	■ Increases will take into account a number of factors including the scale of the role and the individual's experience and wider workforce increases.	The salary increase awarded during FY24 and effective 1 June was 4.5% for Alexander, Jonathan and Euan which was equal to the workforce increase. Effective 1 October 2024, and following consultation with shareholders, Alexander has been awarded an additional 8.3% salary adjustment, reflecting the outcome of the committee's review of his salary after four years in the role and as part of the wider Policy review (see page 69). Euan's salary from 1 November 2024 was increased to £400,611. This was in the context of the introduction of the new incentive plan (contractually his salary would have been £425,000 if the incentive policy had stayed the same) (see page 90). Salary with effect from 1 October 2024: ■ Alexander Scott, CEO: £545,000; and from 1 November 2024: ■ Euan Marshall, Executive Director: £400,611.
Benefits	■ Executive directors are eligible to receive the same benefits on the same terms as the wider workforce.	■ Benefits for Alexander, Jonathan and Euan comprise private healthcare, death in service and PMI. ■ Alexander, Jonathan, Euan and Michael Howard benefited from the discounted platform charges.
Pension	■ The pension policy is equivalent to that of the wider workforce. ■ The executive directors' current pension arrangements are the same or lower than those available to the workforce. Unlike the wider workforce executive directors are not able to sacrifice any element of variable remuneration into their pension.	■ Alexander received a £35,665 pension contribution (7.29%). ■ Jonathan received a £35,665 pension contribution (7.29%). ■ Euan received a £29,194 pension contribution (9%). ■ The minimum employer contribution available to the wider workforce during FY24 was 9%.

Directors’ remuneration report continued

1. Directors’ remuneration ‘at a glance’ continued

Element	Operation	Out-turns FY24 and implementation in FY25
FY24 variable reward comprising: **i) an annual cash bonus element; and** **ii) a deferred bonus award of shares**	▪ Total maximum opportunity is 100% of salary. Outcomes are made by reference to the four anchors – financial performance; stakeholder outcomes; risk, regulation and ESG; and strategy delivery. ▪ The committee uses judgement and discretion when determining outcomes under the annual bonus and deferred bonus awards. ▪ The deferred bonus awards will usually vest on the third anniversary of the grant date.	▪ For 2024 Alexander was awarded a cash bonus of 26% and a bonus award deferred into shares of 29%. Jonathan was awarded a cash bonus of 25% and a bonus award deferred into shares of 27%. Euan was awarded a cash bonus of 31% and a bonus award deferred into shares of 33%.
FY25 CIP comprising: **i) an annual cash bonus element;** **ii) a bonus deferred into shares for three years** **iii) a bonus deferred into shares with a three-year underpin and holding period**	▪ Total maximum opportunity is 200% of salary. ▪ The CIP is based primarily on annual performance with deferral and holding periods applying. ▪ Following annual assessment of performance, deferral will operate on a tiered basis: 1. For the first 30% of the overall maximum: – 70% cash – 30% deferred into shares for three years 2. For the next 70% of the overall maximum: – 10% cash – 10% deferred into shares for three years – 80% deferred into shares for three years with a performance underpin and holding period. ▪ For shares subject to a holding period, the holding period shall normally end following the fifth year after the start of the performance period. ▪ For deferred shares subject to a performance underpin, the underpin will be assessed after the three-year vesting period.	For FY25, maximums are: ▪ 200% of salary for the CEO. ▪ 180% of salary for the CFO. For FY25, performance measures are: ▪ underlying PBT (50%) ▪ risk (10%) ▪ adviser measure (5%) ▪ staff engagement score (5%) ▪ governance, regulatory and sustainability (10%) ▪ strategic/personal (20%) For awards made in FY25, the performance underpin will include a quantitative profit-based underpin, progress against sustainability targets and regulatory performance. See the summary on page 71 for more details.
All-employee share incentive plan	▪ The plan is operated in line with HMRC guidance.	Executive directors are eligible to participate in the all-employee Share Incentive Plan (SIP) on the same terms as all employees.
Shareholding guidelines	▪ Executives are expected to build up and hold 100% of salary in shares over four years, for in-employment shareholding guidelines. ▪ Post-employment, these guidelines will apply in full (i.e. 100% of salary) for the first year post-departure and taper down to half (i.e. 50% of salary) for the second year post-departure. This policy does not apply to shares purchased with an Executive’s own funds and applies only to awards made after the approval of the 2021 Remuneration Policy.	
Non-executive director fees	▪ Fees are paid monthly	During the year a review of the Chair fee and non-executive director fees was undertaken; see page 94 for more details. Fees with effect from 1 October 2024: ▪ board Chair: £220,000 ▪ base fee for non-executive director: £66,000 ▪ additional fee for chairing ARC: £42,000 ▪ additional fee for chairing Remuneration Committee: £27,000 ▪ additional fee for ARC member: £15,000 ▪ additional fee for Nomination Committee member: £5,000 ▪ additional fee for Remuneration Committee member: £7,500 ▪ additional fee for role of SID: £10,500 ▪ additional fee for Designated non-executive director: £6,000

FY24 remuneration outcomes for our executive directors



2. Remuneration Policy summary and implementation for FY25

During 2024, the Remuneration Committee conducted a holistic review of IntegraFin's Remuneration Policy. Following the review, the key change to the Policy is the introduction of a new CIP. We undertook significant shareholder consultation in the development of the new Policy and believe that it delivers a design which reflects the Company's approach to responsible remuneration, allows the attraction and retention of talent and is aligned with ensuring the long-term success of the Group. A summary of the proposed policy is set out below and the full policy can be found on pages 75 to 81.

Shareholder consultation

The process involved two rounds of shareholder consultation, and meetings were offered to just under 50% of our shareholder base. Shareholders were generally supportive of the uplift to incentives proposed. On incentive design, while some shareholders would have preferred us to propose a more traditional LTIP model, shareholders were receptive to the rationale for the proposed approach. Following the first round of shareholder consultation we responded to feedback, particularly in relation to performance measures and to further simplify the overall approach.

Principles for the policy review

It remains one of our key principles to deliver an attractive proposition to our customers, shareholders and employees and hence to implement a reward framework that shares profit and success responsibly and appropriately between these stakeholders. The following were taken into account when reviewing the Remuneration Policy:

- Current very modest incentive levels: Total maximum incentive opportunities at IntegraFin were set at 100% of salary on IPO in 2018 and have not increased since then. This was recognised as a very modest level when compared to other executive directors of companies of similar size and complexity.
- Attracting talent: Over the last 18 months we have made a number of senior hires below board, building our pipeline of talent to take the Group forward. We therefore had a real opportunity to test the market for attraction of talent, and our conclusion was that the current approach to incentives, which cascades across the business, was not at a level which supported the attraction of talent.
- Culture and simplicity of approach: A key consideration was that the business model of IntegraFin suits simplicity of approach. A high risk, high incentive approach would be inconsistent with our business model and culture. Our approach will be cascaded to the senior team, and therefore simplicity and line of sight were important considerations.
- Long-term features: The review recognised that alignment to long-term performance would be important for our shareholders. Our new approach includes a significant proportion deferred into shares, a long-term performance underpin, and, for executive directors, a further holding period. The proposed incentive model will therefore be significantly tilted to the longer term.
- Introducing hard financial and non-financial targets: Recognising previous shareholder feedback on the discretionary nature of the current incentive plan, the new approach introduces defined financial and non-financial targets which will apply to a significant proportion of the plan and retain but down-weight the discretionary element. Overall, our approach to performance measures and targets is focused on supporting our key principles to create, maintain and improve value to our four groups of stakeholders – customers, shareholders, suppliers and employees.

Overview of the new Policy and implementation

As a result of the review process, the committee is proposing to introduce a new CIP, with an increased overall incentive opportunity and incorporating objective financial measures. The CIP, based primarily on annual performance, will include significant deferral into shares, holding periods, a longer-term performance underpin and strengthened malus and clawback.

Directors’ remuneration report continued

2. Remuneration Policy summary and implementation for FY25 continued

Incentive plan operation

Incentive opportunity: Total incentive maximum of up to 200% of salary. For FY25, the maximum will be 200% of salary for the CEO and 180% of salary for the CFO.

Performance period and measures: The award will be subject to a one-year performance period. The performance scorecard will include a range of financial and non-financial measures.

For FY25, the performance scorecard will be made up of:

Measure	Weighting
Underlying PBT	50%
Risk	10%
Adviser measure	5%
Staff engagement score	5%
Governance, Regulatory and Sustainability	10%
Strategic/personal	20%

Deferral and holding period: The award will be subject to a tiered deferral approach as follows:

- For the first 30% of the overall maximum:
  - 70% cash
  - 30% deferred into shares for three years.
- For the next 70% of the overall maximum, normally:
  - 10% cash
  - 10% deferred into shares for three years
  - 80% deferred into shares for three years with an underpin and holding period.

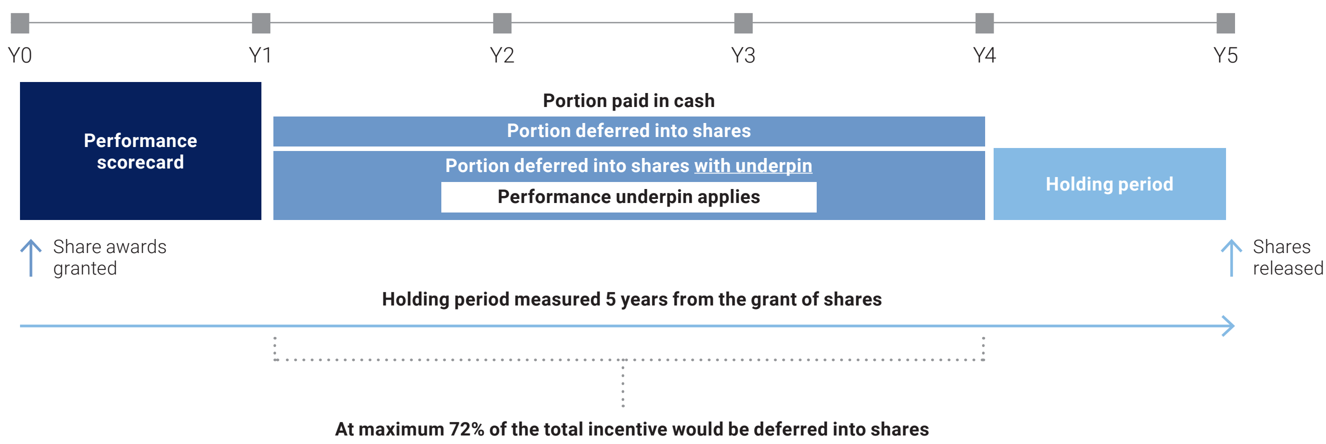
Performance underpin: A portion of the deferred awards will be subject to a three-year performance underpin. For awards made in FY25, the performance underpin will include a quantitative profit-based underpin, progress against sustainability targets and regulatory performance. If the underpin is not met the committee would determine the extent to which a reduction was appropriate, which could range from no reduction to a 100% reduction. The committee would consider all relevant factors in making its determination.

Holding period: For shares subject to a holding period, the holding period shall normally end following the fifth year after the start of the performance period.

Malus and clawback: Awards will be subject to malus and clawback provisions, which have been strengthened by broadening the range of circumstances and increasing the length of time under which these may be applied. Malus and clawback provisions will apply for a period of no less than four years from the beginning of the performance period and no less than five years for awards subject to a holding period.

Illustration for the CEO

The diagram below illustrates the operation of the new incentive plan for the CEO.



3. Directors' Remuneration Policy

The Directors' Remuneration Policy set out below is proposed for shareholder approval at the Annual General Meeting to be held in early 2025. Subject to shareholder approval, the 2024 Remuneration Policy will take effect from the date of the 2025 AGM.

The Policy was developed by the committee over the course of 2024 and included significant shareholder consultation. Input was received from management while ensuring that conflicts of interest were suitably mitigated. The committee also considered carefully corporate governance developments. Input was provided by the committee's appointed independent advisers. More background on the development of the Policy can be found on pages 68 to 70 of the Remuneration Committee Chair's statement and in the summary on pages 71 to 73.

The key change to the Remuneration Policy is the introduction of a new CIP. This includes an increased overall incentive opportunity maximum of 200% of salary, significant deferral into shares, and the introduction of objective financial measures and holding periods. Under the pension element the flexibility to allow executive directors to waive bonus into pension has been removed. Other minor changes have been made to either aid administration or further clarify information.

Policy table

Purpose and link to strategy	Operation	Opportunity	Performance measures
Salary			
To attract and retain executive directors with the necessary skills, experience and expertise.	Base salary is normally reviewed annually. The Remuneration Committee may however award an out-of-cycle increase if it considers it appropriate.	There is no overall maximum monetary opportunity or cap on annual increase. Increases will take into account a number of factors including, but not limited to, the scale of the role and the individual's experience, and increases awarded to other staff.	None
Benefits			
To attract and retain executive directors and support their wellbeing.	The Company offers a Death in Service scheme to all staff with benefits set at four times base salary. The Company also offers all employees and their families the opportunity to participate in a private medical insurance scheme. The executive directors have all participated in the medical insurance and life assurance schemes. Other benefits may include buying and selling of holiday, child care vouchers, eye tests and discounts for those with portfolios on the Transact platform. The benefits provided may be subject to amendment from time to time by the committee. Additional benefits may be provided from time to time. This includes circumstances where an executive director is deployed to or recruited from overseas. The committee will consider whether any additional benefits are appropriate and proportionate.	There is no maximum monetary value.	None
Pension			
To attract and retain directors for the long-term and to contribute to retirement income.	Contributions are by way of a defined contribution to the Group's contractual enrolment pension arrangement. Executive directors are also able to contribute to personal pensions by way of salary sacrifice and will receive an employer contribution if they do so. Unlike the wider workforce, executive directors are not able to sacrifice any element of variable remuneration into their pension.	The maximum Company contribution in respect of salary-based employer pension contributions is 12.3% of salary. This is currently in line with that of the wider workforce. The pension contribution for executive directors will not exceed that of the wider workforce. Wider workforce for the purposes of pension contributions is defined by the committee as it considers appropriate.	None

Directors' remuneration report continued

3. Directors' Remuneration Policy continued

Policy table continued

Purpose and link to strategy	Operation	Opportunity	Performance measures
Combined Incentive Plan (CIP)			
To align reward to performance and to promote long-term alignment to shareholder interest.	The CIP is a combined incentive plan based primarily on annual performance with deferral and holding periods applying. Annual performance targets are set by the Remuneration Committee by reference to business objectives. Following annual assessment of performance deferral will operate on a tiered basis as follows: **First Tier** For the first 30% of the overall maximum: ▪ no more than 70% of the award will be paid as cash following the annual performance period ▪ at least 30% deferred shares for three years following the one-year performance period. **Second Tier** For the next 70% of the overall maximum, normally: ▪ 10% cash ▪ 10% deferred shares for three years following the one-year performance period ▪ at least 80% deferred shares for three years with a performance underpin and further holding period. For shares subject to a holding period, the holding period shall normally end following the fifth year after the start of the performance period. Share awards will normally be granted at the beginning of the annual performance period. However deferred shares which are not subject to a holding period may be granted following the annual performance period. The committee may award dividend equivalents on share awards to the extent that they vest. For deferred shares subject to a performance underpin, the committee will determine the underpin following annual assessment of performance. The underpin will be assessed after the three-year vesting period. Cash and share awards will be subject to malus and clawback provisions (as outlined below).	Maximum opportunity of 200% of salary. For FY25: ▪ 200% of salary for the CEO; ▪ 180% of salary for other executive directors.	Performance measures may include financial and non-financial measures. At least 40% of the maximum opportunity will be based on financial measure(s). For financial measures and other quantitative metrics normally: ▪ no more than 50% vests for target performance; ▪ no more than 25% vests for threshold performance. A portion of deferred shares may be subject to a performance underpin. If the underpin is not met the committee would determine the extent to which a reduction was appropriate which could range from no reduction to a 100% reduction (i.e. full reduction of shares to zero). The committee would consider all relevant factors in making its determination. The committee may exercise upwards or downwards discretion in respect of performance.

Purpose and link to strategy	Operation	Opportunity	Performance measures
All-employee share plan			
To align the interests of all employees – including executive directors – and shareholders.	Executive directors are eligible to participate in the all-employee SIP in place on the same terms as all employees. The scheme is operated in line with HMRC guidance.	The SIP is subject to the limits set by HMRC from time to time. The committee may make an award to participants of Free Shares up to the value of 3% of salary or £3,600 (whichever is lower) and may permit participants to subscribe for Partnership Shares up to the value of 1.5% of salary or £1,800 (whichever is lower). For every Partnership Share purchased, the Company has agreed to award two Matching Shares. The £3,600 and £1,800 limits are set by applicable legislation and will be revised automatically in the event of any changes to the legislation.	None
Shareholding guidelines			
To align the interest of our executives with that of our shareholders	In addition to the above, executive directors are expected to build up and hold shares equivalent to 100% of salary over four years whilst they are in employment. Post-employment, this guideline will continue to apply in full for the first year post-departure and at half of this level for the second year post-departure, reducing to zero after two years. This policy does not apply to shares purchased with an executive's own funds and applies only to awards that are awarded after approval of the 2021 Remuneration Policy (2022 AGM).		

Chair and Non-executive directors

Link to strategy	Operation	Opportunity
To attract non-executive directors with relevant experience to ensure the appropriate balance on the board and the effective management of the Company.	Non-executive directors normally receive a base fee, with additional fees paid in respect of specific board responsibilities including, but not limited to, chairing or membership of board committees, acting as the SID, acting as the designated non-executive director for workforce engagement or ESS, or appointment to subsidiary boards. Non-executive director fees are normally reviewed annually. The review is by reference to the time commitment and responsibility of the role and will not necessarily result in an increase. Additional fees may be paid to non-executive directors to reflect increased time commitment in certain limited circumstances, for example where a non-executive director is a designate Chair of the board or a committee. None of the non-executive directors, including the Chair, is eligible for performance related remuneration or share awards. The Company reimburses reasonable expenses incurred by the Chair and non-executive directors in the performance of their duties. This includes (but is not limited to) travel expenses and tax thereon and independent professional advice. Non-executive directors may be provided with other benefits if deemed appropriate.	There is no maximum fee. The fees are subject to maximum aggregate limits, as set out in the Articles of Association.

Directors' remuneration report continued

3. Directors' Remuneration Policy continued

Approved payments

The committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretion available to it in connection with such payments) notwithstanding that they are not in line with this Policy where the terms of the payment were:

(i) in line with the previously approved Directors' Remuneration Policy;

(ii) agreed before the 2019 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); or

(iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes "payments" includes the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Minor amendments

The committee may make minor amendments to the Policy (for regulatory, exchange control, tax, administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Performance measures and targets

Our approach to performance measures and targets is designed to support our key principle to create, maintain and improve value to our four groups of stakeholders – customers, shareholders, suppliers and employees. Performance measures and targets are considered in the context of our commitment to our stakeholders, support the Company's culture and ensure alignment with our strategy. Performance measures may include measures and targets related to financial performance, risk, compliance, conduct, internal controls, ESG, stakeholder outcomes, delivery of strategy and personal performance.

The committee may review and change the performance measures and performance underpins for future awards to ensure they continue to support and align with the successful delivery of business strategy and objectives. Measures and targets set will normally include both quantitative targets as well as targets where judgement is applied to assess performance. In line with regulatory requirements, risk adjustments may apply to performance out-turns.

Targets may be adjusted to take into account factors such as a change in accounting standard or significant corporate event. The committee may exercise its discretion to adjust outcomes where it believes that this is appropriate, including but not limited to: where outcomes are not reflective of the underlying performance of the business, the underpins selected on award are no longer suitable, or the level of vesting does not reflect the experience of the Group's shareholders, employees or other stakeholders.

Share plan operation and discretion

The CIP will be operated in accordance with the relevant plan rules including any discretions therein. This includes, but is not limited to, the adjustment of awards (as the committee considers it appropriate) in the event of any variation of the Company's share capital, capital distribution, demerger, special dividend or other event having a material impact on the value of shares.

The committee may adjust the operation of the CIP if it considers it appropriate to:

- increase the proportion of an award that is deferred into shares.
- increase the deferral or holding period time horizons.
- determine the basis for the operation of the holding period, where shares may be held on a net or gross basis.
- allow awards to be settled in cash at the committee's discretion.

Malus and clawback

Malus and clawback provisions will apply to incentives, whereby the Company can reduce an unvested award, or clawback from a vested or unvested cash or share award.

Malus and clawback provisions will apply for a period of no less than four years from the beginning of the performance period and no less than five years for awards subject to a holding period. The ability to apply malus and clawback will include the following circumstances:

i. the employee's gross misconduct;

ii. a material misstatement and/or significant downward revision in financial results;

iii. an error in relation to the extent to which an award has vested and/or been granted;

iv. payments based on erroneous or misleading data;

v. the employee participated in or was responsible for conduct which resulted in significant losses to the Group;

vi. the employee failed to meet appropriate standards of fitness and propriety;

vii. corporate failure;

viii. any other circumstance which the committee considers has (or would have if made public) a sufficiently significant impact on the reputation of the Company to justify clawback applying; or

ix. if the Company is required to operate clawback by any relevant regulator.

Recruitment remuneration

When determining the remuneration package for a newly appointed executive director, the committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. However, the committee would intend to pay no more than it believes is necessary to secure the required talent.
- When determining the design and composition of the package, the committee will consider the size, content and scope of the role, the candidate's skills, experience and expertise and the market rate for the role.
- New executive directors will normally receive a base salary, benefits and pension contributions in line with the Policy table and would also be eligible to join the CIP up to the limits set out in the Policy table.
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the committee may offer compensatory payments or awards, in such form as the committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities.
- The maximum level of variable remuneration which may be awarded (excluding any "buyout" awards referred to above) in respect of recruitment is in line with the current maximum limit under the Policy table above.
- Where an executive director is required to relocate from their home location to take up their role, the committee may provide assistance and include benefits such as relocation (either via one-off or ongoing payments or benefits) or tax equalisation.
- In the event that an internal candidate is promoted to the board, legacy terms and conditions would normally be honoured, including pension entitlements and any outstanding incentive awards.

To facilitate any buyout awards outlined above, in the event of recruitment the committee may grant awards to a new executive director relying on the exemption in the Listing Rules which allows for the grant of awards, to facilitate, in unusual circumstances, the recruitment of an executive director, without seeking prior shareholder approval or under any other appropriate Group incentive plan.

The remuneration package for a newly appointed non-executive director would be in line with the structure set out in the Policy table for non-executive directors.

Service contracts and appointment letters

All executive directors have written service contracts in place with an employing company in the Group. All non-executive directors have written appointment letters with the Company. Shareholders may inspect the terms of the executive directors' contracts or non-executive directors' terms of appointment at the Company's registered offices.

Executive directors' service contracts are terminable on six months' notice on either side. In the event that notice is given to terminate an executive director's contract, the Company may make a payment in lieu of notice or place the individual on garden leave. Entitlement to any variable remuneration arrangements will be determined in accordance with the relevant plan rules and this Policy.

Executive directors' service contracts do not make any other provision for termination payments. Provision is made for salary, life insurance, private medical insurance, pension arrangements, holiday and sick pay.

It is the Company's intention that the service contracts for any new executive directors will contain equivalent provisions.

The Chair and the non-executive directors have been appointed for three-year terms, subject to renewal thereafter. The Chair and non-executive directors each have notice periods of three months and may receive fees during their notice period. The Chair and non-executive directors may receive independent professional advice, on certain terms, paid for by the Company.

Payment for loss of office

In the event that the employment of an executive director is terminated, any compensation payment will be determined by reference to the terms of the individual director's service agreement and the individual's statutory rights. The Company may at its discretion make a payment in lieu of notice equal to base salary, pension, contributions (or cash equivalent) and the cost of providing life assurance and private medical benefits only. The Company may, at the committee's discretion, make the payment by way of a lump sum or by instalments over what would have been the notice period and might be subject to mitigation.

The Company reserves the right to make such payment as may be necessary to discharge its legal obligations to the director, or by way of settlement of any claim arising in connection with the cessation of a director's office or service, including reimbursement of legal expenses.

Directors' remuneration report continued

3. Directors' Remuneration Policy continued

Payment for loss of office continued

Combined Incentive Plan

Payments under the CIP may be made if the committee considers it appropriate. The normal approach would be as follows:

A "good leaver" means ceasing employment due to reasons such as death, injury, ill-health, disability, redundancy, or the employing company or undertaking ceasing to be under the control of the Company, or any other reason at the discretion of the committee.

If an executive director leaves before the end of the annual performance period:

- Where the committee determines the individual to be a "good leaver", awards will continue to be subject to the performance targets and will be pro-rated for time (taking into account the period of employment during the annual performance period). Awards may be deferred and released on the normal release date to the extent that underpins are satisfied. However, the committee has discretion to determine the extent to which an award is released, and to determine whether any award is made in cash or shares.
- Other than where the individual is a "good leaver", no cash bonus will be paid, no deferred shares will be granted and awards in respect of the performance period will lapse in full.

If an executive director leaves after the end of the relevant annual performance period but before the normal release date of awards:

- Where the committee determines the individual to be a "good leaver", CIP unvested deferred awards will usually be released on the normal release date to the extent that any performance conditions and underpins are satisfied. The committee has discretion to permit awards to vest early on cessation of employment and to determine the extent to which the awards will be released e.g. pro-rating for time if deemed appropriate.
- If a director leaves other than as a "good leaver", any unvested awards will ordinarily lapse on termination of employment.
- Vested awards would normally be retained subject to any holding periods. The committee may determine an earlier release date in certain circumstances. Where awards are in the form of nominal or nil cost options the committee may permit the executive director to retain and exercise such awards until the end of the exercise period, or such earlier date as the committee may determine.

All staff SIP

SIP awards are not forfeitable on leaving and SIP shares will be transferred to the executive director upon leaving.

Change of control

On a change of control or voluntary wind-up of the Company, awards granted under the CIP, which have been earned in respect of previous performance periods, will normally vest in full. The committee retains discretion to reduce awards or pro-rate to the proportion of the vesting period up to the relevant corporate event. The committee will also have the discretion to determine the extent to which performance conditions have been met, or may waive the performance conditions. The committee may determine an award under the CIP in respect of the annual performance period within which the change of control occurs, taking into account the performance framework and pro-rated for time. The committee has the discretion to treat a merger of the Company, or a demerger of the Company that is an exempt distribution, as an early vesting event on the same basis as a change of control.

Consideration of employment conditions elsewhere in the Company

Remuneration arrangements are determined throughout the Group based on the same principle, which is to create, maintain and improve our value to our four principal groups of stakeholders – customers, shareholders, suppliers and employees. Whenever possible we are committed to sharing our success between employees, customers and shareholders through a balanced approach to responsible pricing, balanced remuneration and sustainable dividends.

The committee is focused on ensuring reward is aligned to our culture and our strategy, and alignment with the wider workforce is a key feature of our distinctive approach to remuneration.

Whilst the committee does not specifically consult with employees on its Remuneration Policy for executive directors, we are mindful of the salary increases, the pension and benefits framework and incentive awards applying across the whole business when considering the remuneration package of executive directors.

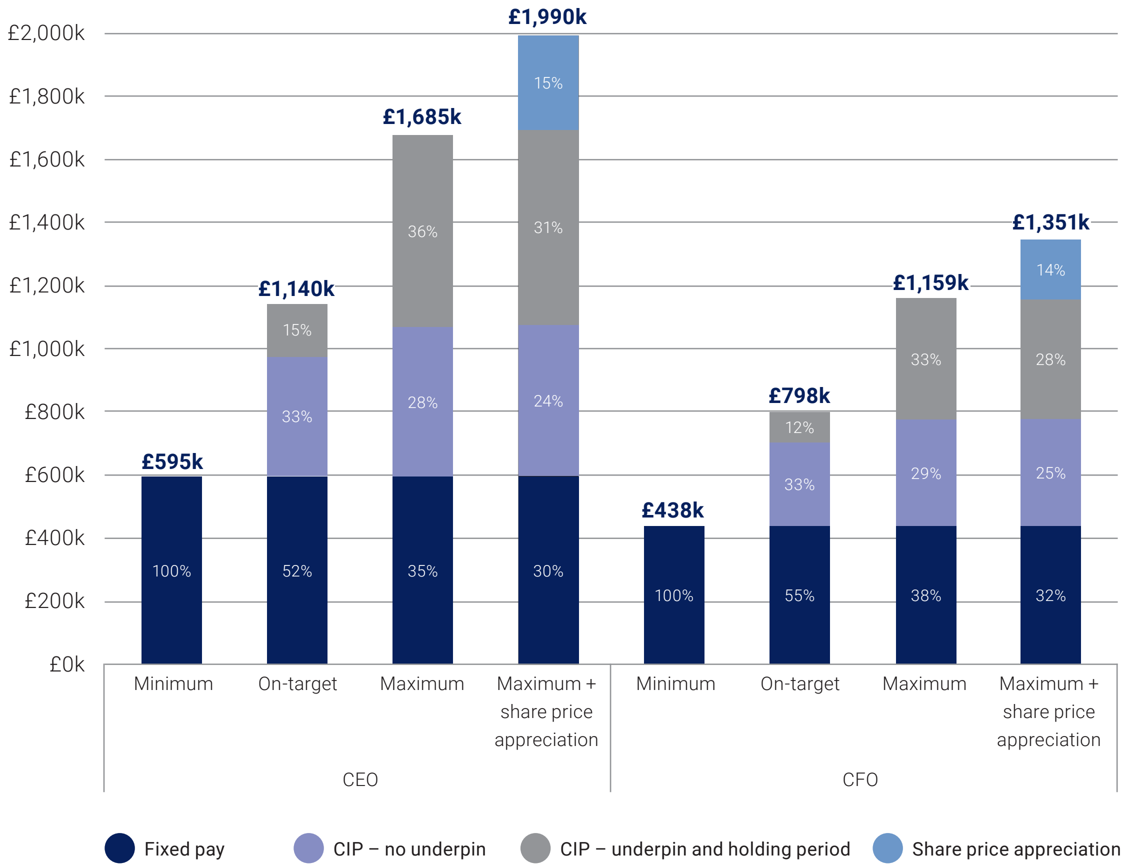
Consideration of shareholder views

The committee directly consulted with shareholders in the shaping of the Remuneration Policy across two consultation phases. The Chair of the committee met with several investors to share the ethos behind the Policy, to explain the rationale for the structure of executive remuneration, and to better understand shareholders' perspective. The committee welcomes shareholders' views on executive remuneration. In the formulation of the Remuneration Policy, the committee took into account general good governance, best practice and shareholder and investor guidance, and built upon shareholder feedback received during shareholder consultation to further refine and shape the Policy.

Scenario charts

The chart below illustrates the amount the executive directors could receive in the first year in which the policy is in operation. The charts are based on the following assumptions:

Pay scenario	Basis of calculation
Minimum	Fixed pay only, consisting of the salaries as at the beginning of 2025, benefits received in 2024 and employer pension contributions of 9% of salary.
On-target	Fixed pay, plus the expected value of the CIP award at target.
Maximum	Fixed pay, plus the maximum award under the CIP at an out-turn of 200% for the CEO and 180% for the CFO.
Maximum + 50% share price appreciation	Maximum, as above, plus share price appreciation of 50% on the portion of the award subject to measures relating to more than one year i.e. the portion subject to the underpin.



4. Annual Remuneration Report

This report details the remuneration arrangements in place for people who were directors of the Company during the financial year.

Wider workforce – IAD and T4A

Note that throughout this report, there are various references and/or comparatives to the wider workforce or the wider UK workforce. The structure of reward for T4A employees continues to be gradually integrated into the IntegraFin business model. Whilst basic pay rise awards have been benchmarked and aligned, variable remuneration continues to differ reflecting the different incentives applicable to the T4A business. Therefore references to wider workforce currently excludes T4A employees save where expressly included. In some instances it also excludes our Australian employees in IAD as Australian employment arrangements differ from those in the UK.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Governance

Committee membership during the year

The members of the committee during the year are shown below:

	Date of appointment
Rita Dhut (Chair from 16 July 2024)	22 March 2023
Richard Cranfield	17 December 2019
Victoria Cochrane	16 July 2024
Robert Lister	1 September 2021
Christopher Munro (Chair until 16 July 2024)	19 January 2018 (stepped down 16 July 2024)

Role of the committee

The purpose of the committee is to review, set and agree aspects of the overall Remuneration Policy and strategy for the Group and the total compensation package for certain officers and employees within the Group. It does so with a view to aligning remuneration with the successful achievement of the Group's long-term objectives while taking into account the Code, relevant regulatory requirements, market rates and value for money.

By delegation from IFAL and ILUK, the committee monitors the content and application of the Company's Remuneration Policy to individuals whose roles bring them into scope of the FCA and PRA remuneration codes and the Corporate Governance Code. To the extent that the committee does not approve their individual remuneration, the committee considers whether the total reward for each of those employee remains compliant with the provisions of the relevant code.

In all its activities, the committee gives due consideration to laws and regulations, the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and other applicable rules, as appropriate, and to shareholder feedback.

Composition of the committee

Following the resignation of Christopher Munro in July 2024 the board appointed Rita Dhut as interim Chair of the committee and appointed Victoria Cochrane as a member. The committee is comprised of three independent non-executive directors and the Chair of the board and therefore the composition continues to comply with the requirements of the Code. Rita had served as a member of the committee for over a year before becoming interim Chair.

The committee ensures that members take individual responsibility for identifying training appropriate to their needs and for keeping appropriate records of such training. Each committee member provides copies of their training record to the Company Secretary annually and undertakes all regulatory training requested by the Group.

Committee meetings and attendance

The committee meets at least twice annually and more frequently when required. The committee has met 16 times during this financial year. Attendance by each member of the committee as at 30 September 2024 is set out in the board and committee attendance table on page 58.

The Head of Legal and Company Secretary, and the HR Director attend all meetings and other individuals such as the CEO, the Chief Risk Officer, subsidiary board Chairs and external advisers may be invited to attend for all or part of any meeting. No director or employee participates in decisions determining their own remuneration.

The committee's work throughout the year

The committee has performed its duties with a view to aligning remuneration with the successful achievement of the Group's long-term objectives while taking into account the Code, relevant regulatory requirements, market rates and value for money.

The committee has undertaken the following this financial year:

Area of focus	Work conducted
Governance	■ Reviewing the committee terms of reference to ensure their continuing appropriateness. ■ Considering the FCA and PRA remuneration requirements in respect of employees who hold Senior Management Functions within the business or who have been identified as Remuneration Code Staff.
Remuneration Policy	■ Reviewing and developing a new proposed Directors' Remuneration Policy to be put forward for shareholder approval at the 2025 AGM, taking into account the views of shareholders.
Awards	■ Reviewing the appropriateness of the proposed annual staff pay award. ■ Approving the proposed remuneration for the executive directors and senior managers. ■ Considering proposals for the remuneration of the CFO. ■ Considering the appropriateness of remuneration for Code staff and the staff pay award. ■ Reviewing and approving the making of deferred bonus awards to executive directors and senior managers. ■ Approving the grant of the Free Share award. ■ Considering and developing proposals for a restructure of variable remuneration.

Committee evaluation

As raised in the 2023 evaluation, the committee has continued its work to more closely align the linkage of variable remuneration to individual as well as Company performance. It has introduced clearer objectives and measures of performance in a framework incorporating stakeholder interests.

Feedback regarding the interaction between the committee and the regulated subsidiary boards continues to be considered and the Chairs of the subsidiary boards attend meetings and contribute to agenda items which directly apply to those entities.

Statement of voting at the AGM

The Company remains committed to ongoing shareholder dialogue and takes a close interest in voting outcomes. The following table sets out voting outcomes in respect of the 2021 Policy at the 2022 AGM and the FY23 DRR at the 2024 AGM:

Year	Resolution	Votes for/ discretionary	% of vote	Votes against	% of vote	Votes withheld
2024	**Approve the Directors' Remuneration Report**	**215,949,521**	**88.18**	**28,948,377**	**11.82**	**764**
2022	Approve the Directors' Remuneration Policy	216,703,830	91.90	19,098,977	8.10	1,361,995

How the Policy was applied in FY24

Summary of total remuneration – executive directors (audited)

						Annual Bonus					
Director	Year	Gross basic salary £'000	Benefits[1] £'000	Pension £'000	Total fixed remuneration £'000	Cash bonus £'000	Deferred shares £'000	LTIP £'000	Other[2] £'000	Total variable remuneration £'000	Total £'000
Alexander Scott	**2024**	**489**	**1**	**36**	**526**	**129**	**142**	**–**	**8**	**279[8]**	**805**
	2023	469	1	7	477	145	152	–	8	305	782
Jonathan Gunby[3]	**2024**	**489**	**1**	**36**	**526**	**121**	**133**	**–**	**8**	**262**	**788**
	2023	469	1	7	477	145	152	–	7	304	781
Euan Marshall[7]	**2024**	**323[4]**	**1**	**29**	**353**	**100[5]**	**107[5]**	**–**	**347[6]**	**554**	**908**
	2023	–	–	–	–	–	–	–	–	–	–
Michael Howard	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–	–	–

1 Benefits for the executive directors during the year comprised private health care and death in service benefits.

2 Other remuneration relates to Share Incentive Plan awards and the employee discount on platform charges and, in respect of Euan Marshall, buyout awards in respect of forfeited remuneration.

3 Jonathan Gunby retired from the board on 30 September 2024.

4 Euan Marshall's salary comprises £274,000 basic salary plus a £50,000 cash supplement additional pending finalisation of the new Remuneration Policy. The £50,000 payment qualifies for bonus and pension but not for annual salary awards.

5 Euan Marshall's annual bonus was calculated based on a percentage of year-end base salary and the £50,000 cash supplement, pro-rated for time in role. Annual bonus also includes an additional performance-based amount to partially compensate for cash bonus forfeit from his previous employer as part of his buyout (see page 90).

6 Comprising buyouts in respect of variable pay forfeited (see page 90).

7 Euan Marshall was appointed to the board on 3 January 2024.

8 Figures have been rounded.

Michael Howard receives nil remuneration from the Company, but his employer, ObjectMastery Pty Ltd, receives a fee of AUD80k for his executive appointment to IAD Pty Ltd, a company within the Group.

Base salary (audited)

The basic annual salaries for Alexander Scott, Jonathan Gunby and Euan Marshall were reviewed in accordance with the Company's all-employee pay review resulting in the following changes to the annualised salary figures. Salary adjustments were also made in respect of Alexander Scott and Euan Marshall as part of the Policy review and as described on page 69:

Director	Basic annual salary as at 1 June 2023 £'000	Salary effective with effect from 1 June 2024 £'000	Salary with effect from 1 October/ 1 November 2024 £'000
Alexander Scott	481	503	545
Jonathan Gunby	481	503	–
Euan Marshall	375[1]	392[1]	401

1 As part of a two part offer and in recognition of the anticipated increase to variable incentive arrangements, Euan Marshall received an additional cash supplement of £50,000 per annum pending settlement of the new Directors' Remuneration Policy. Upon implementation of the policy, Euan's basic salary was reset on 1 November and the additional fee is no longer payable. As set out on page 90 the overall outcome was a lower salary than the £425,000 which was contractually agreed if the current policy maximum had continued.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Incentive outcomes for FY24

Annual bonus (cash and deferred share) awards for FY24 (audited)

The committee considered Company and individual performance against the following four qualitative and quantitative anchors:

- financial performance
- stakeholder outcomes
- risk and regulation (including environmental, social and governance)
- strategy delivery

Each director's delivery of their objectives was assessed against each anchor, as well as the Group's delivery in the round and are adjusted for any non-delivery. As a regulated business the committee also considers risk factors when making its determinations.

Within those anchors, the committee considered a wide variety of management information available to the board and its committees. Whilst the committee considered metrics linked to each anchor, the essence of the process was to use the metrics to arrive at a balanced judgement as to whether an award was warranted and, if so, at what level.

Director	Cash award £'000		Deferred award £'000	
Alexander Scott	129	26% of salary	142	29% of salary
Jonathan Gunby	121	25% of salary	133	27% of salary
Euan Marshall	97	30% of salary	107	33% of salary

The cash and deferred award percentages are by reference to the basic salary on 30 September 2024. This is aligned to the approach taken for all employees. For Euan, "salary" comprises base salary and the £50,000 cash supplement, pro-rated for time in role, and the amounts in the table exclude buyouts (see page 90).

The bonus for Alexander is recommended by the board Chair. The bonuses for Jonathan and Euan are recommended by Alexander. The committee considers detailed information which covers financial and non-financial performance, and whether the executive directors had delivered appropriate stakeholder, financial and strategic performance, whilst also managing risk and maintaining internal controls.

For FY24 the assessment of whether cash and deferred bonus awards were justified was informed by the following metrics and performance in the year:

Quantitative anchor (metrics and performance)		Out-turns
Financial performance	**Ensure effective financial performance of the Group by:** ■ delivering financial performance against forecast, in accordance with projections and market expectations. ■ sustaining service excellence within the context of managed expenses. ■ managing costs and headcount effectively. ■ managing the dividend flow and distributable reserves/ regulatory capital from subsidiaries. **Measures of success** ■ Net inflows ■ EPS ■ Expense ratio ■ Profit margin ■ Share price ■ Market cap ■ T4A user licences ■ Payment of a dividend ■ External factors outside of the Company's control, e.g. sudden FTSE and global movements	In FY24: ■ Financial performance was ahead of projections. ■ PBT margin has increased 4% from 46% FY23 to 48% in FY24. ■ Service delivery continued to be regarded as market leading by our Financial Advisers and has not impacted on financial performance. ■ Dividends to shareholders have been paid in line with policy. ■ Forward-looking projections indicate that the Company is well placed to sustain performance over the coming year taking into account stress-tested scenarios.

	Quantitative anchor (metrics and performance)	Out-turns
Stakeholder outcomes	**Create, maintain and improve value to our four groups of stakeholders – customer, shareholders, suppliers and employees by:** ■ identifying and executing opportunities for consistent growth in gross and net inflows and sustained or improved market share of net inflows. ■ sustaining our platform's adviser-voted industry awards. ■ ensuring adviser satisfaction with the Company's propositions. ■ creating a culture which encourages openness, honesty, prevents harm and results in behaviours that are consistent with the Group's values. ■ maintaining a staff attrition rate that remains within appetite. ■ ensuring that the Group does not risk capital beyond reasonable levels, does not create any commercial conflict or make it difficult to meet regulatory responsibilities. **Measures of success** ■ Net inflows ■ Adviser + user/client retention ■ Market share of inflows ■ Adviser-voted awards received ■ Market research results (internal and external) ■ Staff attrition rates ■ Staff engagement survey results ■ Under performance rates ■ Shareholder engagement ■ Performance and management of third party suppliers	In FY24, the Company delivered the following: **Clients and advisers** ■ Market share of gross inflows remained above 10% and net flows make up approximately 25% of the market. ■ Transact rated best platform for advisers in the Professional Adviser Awards and won Schroders UK Platform award 2023 "Best Platform Provider (AUM over £40 billion)". ■ Clients benefited from removal of buy commission, removal of the differential charging for new cash and switch cash and further reduction in fee for non-advised clients. ■ Clients and advisers benefit from continued investment in the development of digital onboarding tools. **Employees** ■ 100% of eligible employees took up the SIP Free Share award and 69.79% took up the Partnership Share award. ■ Employee engagement response rates remained high. **Shareholders** ■ The Company distributed dividends in accordance with its dividend policy. ■ Share price has shown reasonable growth over the year. **Suppliers** ■ The Group settled around 90% of its invoices within 30 days of receipt in the last fiscal year. No one stakeholder is prioritised over the others and the committee considers the balance of the outcomes for stakeholders when determining the appropriateness of variable remuneration awards.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Incentive outcomes for FY24 continued

Annual bonus (cash and deferred share) awards for FY24 (audited) continued

Quantitative anchor (metrics and performance)		Out-turns
Risk, regulation and ESG	■ Effective leadership of risk management by reference to all capital liquidity, operational resilience and compliance with regulatory requirements applicable to the Group, including those applicable to the Company as a UK listed plc and those applicable to our UK investment firm, UK insurance firm and Isle of Man insurance firm. ■ Demonstrable adherence to internal, legal and regulatory policies, law and rules. ■ Effective management of internal governance of the Group both at board level and through the subsidiaries and management structure and the interrelationship with the delivery of the strategy and financial performance. ■ Making moral decisions and demonstrating a values-driven approach that seeks to prevent rather than cure. ■ Effective delivery of the environmental response plan. **Measures of success** ■ Complaint and error metrics ■ Review of non-compliance or sanctions affecting the Group ■ Customer satisfaction ■ Internal audit reports and findings, and the resolution thereof ■ Performance against Risk control self-assessment ■ Progress on environmental response plan	In FY24 the Company delivered: ■ Ongoing engagement with the FCA, the PRA and the IoM FSA. ■ Internal Audit programme completed. ■ Risks including regulatory compliance managed within appetite. Minor risk appetite breaches promptly identified and addressed. ■ TCFD reporting reviewed and enhanced. The above achievements are also underpinned by the following: ■ The Group has shown appropriate adherence to internal, legal and regulatory policies, laws and rules and board reports demonstrate appropriate understanding and implementation of regulatory change projects. ■ The additional investment in IFAL to effectively manage capital balances across the Group was managed effectively The committee considers all of these aspects when determining the appropriateness of a variable remuneration award. No individual weighting is applied to one or more of these aspects so that the committee has the flexibility to adjust the award by reference to the impact of internal and external constraints on the delivery of each. The committee considers the steps taken to recruit and retain talent within the organisation. In doing so, the committee receives reports on staff numbers, recruitment and retention, and internal development opportunities by way of promotions and movement between departments and business functions. The committee considers the appropriateness of executive reward in the context of these measures.
Strategy delivery	**Ensuring that the Group and each of its subsidiary companies achieves its strategic goals through:** ■ continuous improvement of the platform functionality, responding to customer feedback. ■ enhanced resilience of the core platform and associated services. ■ increased number of advisers and clients using CURO. ■ growth of ancillary services to enhance the adviser and client experience. **Measures of success** ■ Assessment of the ancillary services offered to clients and advisers ■ Management of expenses ■ Number of retained advisers and clients ■ Number of new advisers and clients ■ Number of advisers and clients using CURO	In FY24, the key strategic deliverables by the Company were: ■ Delivery of organic growth in the context of persistent inflation and a weak market. ■ Improvement in service delivery. ■ Continuing the development of the enhanced CURO proposition on Power Platform software. ■ Continued delivery of system enhancements.

How the committee's discretion was applied

In determining the award for the executive directors, we considered the Group's performance against its strategic objectives, the business plans approved by the board, market consensus, regulatory requirements and the current state of financial markets. The committee weighed up the performance of the Company in FY24 and the future projections for FY25. Consideration was given to both financial and non-financial performance and the committee considered whether the proposed awards were sustainable.

We sought assurance that the recommendations were made in accordance with a balanced view of achieved and future profitability underpinned by the interests of all stakeholders. We ensured that the awards were consistent with the expectations of our regulators and our other stakeholders regarding a proportionate reward focused on sustainable delivery over the medium to long term and not based on inappropriate risk taking.

The committee concluded that payment of an award was appropriate given the strong financial performance against plan and the performance of the platform in a challenging market and economic environment.

Based on a holistic assessment of Group performance, including consideration of the 2024 outcomes set out in the table above, and individual performance, the committee granted the following awards:

Alexander Scott was granted an overall award (cash and deferred bonus shares) equal to 55% of salary. In making this award, the committee had particular regard to the overall financial performance of the platform, the performance of T4A against plan and the delivery of stakeholder outcomes. The committee allocated the award as 26% cash and 29% deferred into shares.

Jonathan Gunby was granted an overall award (cash and deferred bonus shares) equal to 52% of salary. In making this award, the committee had particular regard to the strong platform performance and service enhancements, alongside progress on the development of CURO and delivery of stakeholder outcomes. The committee allocated the award as 25% cash and 27% deferred into shares.

Euan Marshall was granted an overall award (cash and deferred bonus shares) equal to 64% of salary. In making this award, the committee had particular regard to the strong financial control, his early impact on the business and contribution to the management team. The committee allocated the award as 31% cash and 33% deferred into shares.

The deferred bonus award is granted following the announcement of the Group's annual results. Awards will vest after three years and will be subject to malus and clawback provisions as detailed in the DRP.

In certain circumstances, the committee has the right to reduce or withhold the deferred bonus award. This includes but is not limited to where there has been a material misstatement and/or significant downward revision in the financial results, where the calculated number of shares awarded to an individual director is determined to be too high, or where the Award Holder has engaged in misconduct justifying the director's summary dismissal.

LTIPs

The Company did not operate an LTIP in FY24, and no award was made to executive directors that was dependent on performance conditions relating to more than one year.

SIP

Executive directors can participate in the SIP. The board may make an award to participants of Free Shares up to the value of 3% of salary or £3,600 (whichever is lower) and may permit participants to subscribe for Partnership Shares up to the value of 1.5% of salary or £1,800 (whichever is lower). For every Partnership Share purchased, two Matching Shares are awarded. The £3,600 and £1,800 limits are set by applicable legislation and will be revised automatically in the event of any changes to the legislation.

During FY24, the maximum SIP award was granted to qualifying employees (including Alexander Scott and Jonathan Gunby). The Partnership and Matching Share award was made on an evergreen basis and therefore all qualifying employees will be able to continue to participate in the plan unless it is revoked by the committee. Based on the Group's performance in FY24 the board has not revoked that award. The board has considered the Group's performance in FY24 and, with the approval of the Remuneration Committee, has approved the making of a further maximum SIP Free Share award to qualifying employees (including Alexander Scott) when the Company is not in a closed period. This will be following the announcement of the Group's financial results. Euan Marshall has not yet met the service criteria to be eligible to participate in awards under the scheme.

Pension contributions

In the FY24 performance year, the employer's pension contribution for Alexander Scott and Jonathan Gunby was £35,665 and £29,194 for Euan Marshall. At 7.29% of basic salary, for Alexander Scott and Jonathan Gunby, and 9% for Euan Marshall, the contributions were no more than the minimum level contributed in respect of the wider workforce.

The minimum employer contribution available to all employees in FY24 was 9%. For employees other than executive directors the Group has made contributions to personal pension arrangements for those employees who have sacrificed salary. Whilst this benefit is available to executive directors, none of the current executive directors has sacrificed salary.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Shareholding guidelines

In-employment

In the 2021 DRP, the Company adopted in-employment shareholding guidelines pursuant to which a serving executive director must build up and maintain a holding of IntegraFin shares with a value (as determined by the committee) at least equal to 100% of salary over a period of four years. Unvested share options awarded under deferred bonus arrangements and shares subject to other share awards which are no longer subject to any performance condition (including any exercisable but unexercised awards) count towards the requirement, on a net of assumed tax basis where relevant.

Individual shareholdings for each of Alexander Scott, Jonathan Gunby and Michael Howard are set out on page 92 and all meet the minimum requirements under the policy. As a recent joiner to the Company, Euan Marshall currently holds shares below the minimum. In line with our policy, the expectation is that he will build up to his guideline over a period of four years.

Post-employment

The Company has adopted post-employment shareholding guidelines pursuant to which an executive director must retain for 12 months following cessation of employment such of their "relevant shares" as have a value (as determined by the committee) equal to the in-employment guidelines most recently applicable to them, and for a further 12 months such of their "relevant shares" as have a value (as determined by the committee) equal to 50% of the in-employment guidelines most recently applicable to them. Shares which the executive director has purchased or which they acquire pursuant to share plan awards granted before this Policy came into effect are not "relevant shares" for these purposes.

The committee retains discretion to vary the shareholding guidelines to take account of compassionate circumstances.

Percentage change in remuneration of directors compared to the average employee

The table below shows the percentage movement in the salary, benefits and annual bonus for the directors compared to that for the average Group employee over the past five years.

The SIP scheme is provided to all UK and Isle of Man employees, including executive directors, but excluding T4A and is not included above.

	FY24			FY23			FY22			FY21			FY20		
Director	**Salary/ Fees %**	**Benefits**	**Bonus %**	Salary/ Fees %	Benefits	Bonus %	Salary/ Fees %	Benefits	Bonus %	Salary/ Fees %	Benefits	Bonus %	Salary/ Fees %	Benefits	Bonus %
Executive directors															
Alexander Scott	**4.70**	**23.92**	**(8.80)**	4.00	31.25	11.71	7.00	26.60	(10.10)	2.50	19.50	(0.70)	56.40	–	63.80
Jonathan Gunby	**4.70**	**23.92**	**(14.50)**	4.00	31.25	1.76	7.00	26.60	(1.40)	2.50[1]	19.50	0.60	N/A	N/A	N/A
Michael Howard	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Euan Marshall[3]	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive directors[4]															
Caroline Banszky	**18.75**	**–**	**–**	–	–	–	33.30	–	–	–	–	–	–	–	–
Victoria Cochrane	**21.20**	**–**	**–**	–	–	–	29.20	–	–	–	–	–	–	–	–
Richard Cranfield	**28.57**	**–**	**–**	–	–	–	40.00	–	–	–	–	–	–	–	–
Rita Dhut	**23.04**	**–**	**–**	–	–	–	–	–	–	–	–	–	–	–	–
Robert Lister	**29.22**	**–**	**–**	–	–	–	28.30	–	–	–	–	–	–	–	–
Christopher Munro	**12.07**	**–**	**–**	–	–	–	45.00	–	–	–	–	–	–	–	–
Average employee (excl. T4A)	**4.50**	**27.92**	**3.20**	7.30	31.25	(37.46)[2]	7.30	26.60	16.75	3.20	19.50	17.98	2.90	5.50	12.80

Notes to the table:

Alexander Scott's basic remuneration increased in 2020 upon appointment as CEO.

1 Jonathan's basic salary increased 2.5% year on year, however in 2020 Jonathan purchased annual leave and therefore received lower basic and variable remuneration in 2020 than Alexander.

2 The reduction in the average employee bonus award is reflective of the restructure of employee reward to increase basic and reduce the variable proportion to a targets met out-turn of 10% (2022: 20%).

3 Euan Marshall was appointed to the board on 3 January 2024.

4 Details of non-executive director fee changes can be found on page 93.

Michael Howard receives nil remuneration from the Group but his employer, ObjectMastery Pty Ltd, receives a fee of AUD80k for his executive appointment to IAD Pty Ltd, a company within the Group. This fee remained consistent until FY24.

The change in salary/fees for the directors is based on the salary/ fees earned in each financial year.

The table does not include salary and benefits movement for IAD employees employed in Australia as their employment benefit package differs from the UK staff package in recognition of different compensation and benefit rules in Australia. It has therefore been deemed inappropriate to include their remuneration in this comparison. Similarly, the "average employee" calculation in the table excludes T4A due to slight differences in the remuneration structure.

Christopher Munro retired from the board on 16 July 2024.

CEO pay ratio table

The following table sets out the ratio of the CEO's pay to each of the Group's median, lower quartile and upper quartile pay for UK employees for the last five years.

		Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY24	**Salary**	**Option A**	**12:1**	**10:1**	**7:1**
	Total remuneration		**17:1**	**13:1**	**9:1**
FY23	Salary	Option A	11:1	8:1	7:1
	Total remuneration		17:1	13:1	9:1
FY22	Salary	Option A	14:1	10:1	6:1
	Total remuneration		16:1	12:1	8:1
FY21	Salary	Option A	14:1	11:1	7:1
	Total remuneration		16:1	13:1	9:1
FY20	Salary	Option A	17:1	13:1	9:1
	Total remuneration		18:1	15:1	10:1

The salary and total remuneration ratios for 2024 above are based on the following figures:

FY24	CEO	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary	**488,926**	**39,633**	**50,033**	**71,067**
Total Remuneration	**804,567**	**47,673**	**63,118**	**88,928**

The CEO pay ratios were calculated using 'Option A', set out in the Companies (Miscellaneous Reporting) Regulations 2018. Under this method, the full pay and benefits of each UK employee were used to identify those employees that represented the Group's median, lower quartile and upper quartile pay for UK employees. The full pay and benefits of these employees were then used to calculate the ratios as at 30 September 2024. The Group elected to use Option A as its method of calculation as it felt that using the full pay and benefits of all employees was the most accurate method of identifying those employees that represented the Group's mean median, lower quartile and upper quartile pay for UK employees. To determine the full-time equivalent pay and benefits of non-standard workers, part-time workers' remuneration was grossed up to the equivalent full-time pay.

The ratio for the 25th and median categories have increased whilst the 75th percentile has remained the same in FY24. The reason for the change to the 25th and median is a net increase in hiring into entry level roles, relative to senior hiring, when comparing full year heads to the prior year. There has been no overall change to the reward structure or benefits provision in the year.

Workforce engagement

The committee has sight of the workforce views through consideration of the out-turns from the workforce engagement survey and the learnings from engagement with the workforce at organised events.

When determining the Remuneration Policy and arrangements for executive directors, the committee also considers:

- remuneration elsewhere in the Group to ensure that remuneration structures are suitably aligned;
- changes in remuneration (salary, benefits and bonus) of the wider workforce compared with that of directors; and
- any material changes to benefit or pension provisions to the wider workforce.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Relative importance of spend on pay (audited)

The following table sets out the percentage change in profit, dividends paid and overall spend on pay in the year ending 30 September 2024, compared to the year ending 30 September 2023.

	FY23	**FY24**	Percentage change
IFRS profit after tax	49.9	**52.1**	4%
Dividends	33.7	**33.7**	0%
Employee remuneration costs	46.0	**48.4**	5%

Euan Marshall's joining arrangements

At the time of Euan's appointment, the committee had begun the process of reviewing the variable framework for executive directors. In order to ensure we had flexibility in how we developed the policy, we structured Euan's package as a two part offer with a base salary of £375,000 and a cash supplement of up to £50,000, but with a contractual commitment that salary would become £425,000 if the current incentive policy maximum were to continue.

The salary of £375,000 plus a cash supplement of £50,000 was intended to mirror a salary of £425,000. Therefore the cash supplement was bonusable and pensionable.

When the design of the new Policy was finalised, to ensure alignment to deliver the expected total compensation out-turns, the committee revised his base salary to £400,611 with effect from 1 November 2024. The final salary was therefore, as anticipated, set at a level lower than the salary of £425,000 which was contractually agreed if the current policy maximum had continued.

His pension was set at 9% of salary.

The committee approved a buyout of Euan Marshall's forfeited LTIP awards upon joining the Company.

Date	Value
Value of shares options to be awarded on date of joining, vesting after three years (37,995 share options)	£115,500
First payroll date after employment (cash)	£21,750
First year anniversary of employment (cash)	£57,000
Second year anniversary of employment (cash)	£57,000
Third year anniversary of employment (cash)	£57,000
Total	£308,250

At the time that the buyout was made the Company adhered to the maximum limits under the deferred bonus arrangement, with excess comprising a cash award. Following adoption of the new plan rules it is intended that future buyouts will be made in shares.

The time horizons for the settlement of the awards mirror, or are longer than, those forfeited. Awards forfeited were contingent on only continued employment together with a performance underpin. Payment of buyout awards is contingent on continued employment with the Company until the designated payment date, subject to forfeiture in the event of poor performance. In line with the 2021 Policy, awards are also subject to malus and clawback in other circumstances.

On joining, Euan also forfeited a cash bonus in respect of his previous employment and the committee considered it appropriate that he would be partially compensated. Taking into account that the year end of his former employer was 31 March, on joining 3 January 2024 Euan forfeited a bonus from his previous employer in respect of 9 months of the financial year. This was partially compensated by permitting Euan to participate in an additional maximum incentive of £65,800, equating to an additional c.1.8 months of annual bonus during IntegraFin's financial year. This compensatory participation was less than 50% of the cash bonus forfeited. His performance outcome for the year was 63% and therefore, following the year end, this resulted in an out-turn of £41,500 in respect of this additional element. To align with shareholders, this additional compensatory amount was delivered primarily in deferred shares, via an award of £38,775 in deferred shares and £2,688 cash.

Payments to past directors (audited)

Except as described below in relation to Jonathan Gunby, there were no payments to past directors during the year. Ian Taylor's estate exercised 43,186 nil cost options which related to vested options transferred to his estate on 08 August 2023.

Payments for loss of office (audited)

No director received payment for loss of office during the year.

Arrangements for Jonathan Gunby

Jonathan Gunby stepped down from the board on 30 September 2024. Jonathan will remain an employee of the Group and CEO of IntegraFin's subsidiary, Integrated Financial Arrangement Ltd, which operates the Transact platform.

Jonathan's deferred share awards will continue to subsist subject to continued employment, and will be released on the original timetable. As a former director, Jonathan will be required to comply with post-employment shareholding requirements in line with the Policy.

Share Awards made during the year (audited)

	Type of interest awarded		Basis on which award made[1,2]	Date of award	Face value awarded[3]	Percentage receivable for minimum performance	Number of shares awarded	End of deferral period
Alexander Scott	Deferred bonus	Conditional share award	33% salary less award of SIP Free and Matching Shares	21.12.2023	£153,643	100%	51,317	21.12.2026
	SIP	Free Shares Partnership Shares Matching Shares Dividend Shares	3% (Free and Matching Shares) of salary subject to maximum of £3,600 each per annum and 1.5% (for Partnership Shares) subject to a maximum of £1,800 per annum	08.01.2024 23.01.2024 23.01.2024 29.01.2024 08.07.2024	£3,597 £1,800 £3,600	100%	1192 607 1214 283 130	N/A[4]
Jonathan Gunby	Deferred bonus	Conditional share award	33% salary less award of SIP Free and Matching Shares	21.12.2023	£153,643	100%	51,317	21.12.2026
	SIP	Free Shares Partnership Shares Matching Shares Dividend Shares	3% (Free and Matching Shares) of salary subject to maximum of £3,600 each per annum and 1.5% (for Partnership Shares) subject to a maximum of £1,800 per annum	08.01.2024 23.01.2024 23.01.2024 29.01.2024 08.07.2024	£3,597 £1,800 £3,600	100%	1192 607 1214 283 130	N/A[4]
Euan Marshall	Buyout	Conditional share award	Buyout of forfeited LTIP	03.01.2024	£115,500	100%	37,995	03.01.2027

1 Deferred share awards form part of the annual incentive, for which awards were determined based on performance to 30 September 2024.

2 SIP Free Share awards were determined based on Group performance to 30 September 2024. SIP Partnership and Matching awards are loyalty awards. The awards are evergreen and are purchased monthly and will continue unless revoked by the Remuneration Committee. The award date shown is the first purchase date following publication of the Company's Annual Report and financial statements but the amount reflects the award for the full financial year.

3 The face value of the deferred bonus share award is calculated using average share price from 15 December 2023 to 19 December 2023 which was £2.96. The face value of the Free Shares is calculated using the share price paid by the SIP administrator on the date of purchase which was £3.02. The face value of the Partnership and Matching Share award is calculated using the total number of Partnership and Matching Shares bought on behalf of the relevant individuals during the financial year and an average share price for matching share purchases.

4 The SIP is operated in line with HMRC guidance.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Shareholding requirements and directors' share interests (audited)

No share awards other than the all staff SIP and the deferred bonus Share Option Plan award were awarded to Alexander Scott, Jonathan Gunby or Michael Howard during the financial year.

Upon joining the Company but prior to his appointment to the board, Euan Marshall received 37,995 shares in respect of a partial buyout of his LTIP awards at his prior employment.

The Company requires executive directors to build up a holding of one year's salary equivalent in shares and/or share options within four years of appointment. In assessing whether an individual director meets this requirement, the Company will include shares held in the director's own name, those held in any pension over which the director directs the investment profile, and those unvested shares which are not subject to performance conditions, held in an employee share plan.

Director/ Connected person	1p Ordinary Shares	Total 2018 SIP shares[1]	Deferred bonus share Scheme (no performance conditions)	Deferred bonus share Scheme (performance conditions)	Vested but unexercised	Options exercised	**Shares held at 30.09.2024 Total**	Percentage of basic pay/fee held in shares	Shares held at 30.09.2023 Total	Percentage of basic pay/fee held in shares
Alexander Scott	1,148,260	14,839	197,214	–	71,137	–	**1,360,313**	1014%	1,305,570	652%
Jonathan Gunby[2]	803,665	14,839	196,428	–	70,351	–	**1,014,932**	757%	960,189	479%
Michael Howard[3]	32,000,000	–	–	–	–	–	**32,000,000**	282,392%	32,000,000	175,532%
Euan Marshall		–	–	37,995	–	–	**37,995**	-	N/A	N/A
Caroline Banszky	7,500	–	–	–	–	–	**7,500**	-	7,500	-
Victoria Cochrane	3,750	–	–	–	–	–	**3,750**	-	3,750	-
Richard Cranfield[4]	20,000	–	–	–	–	–	**20,000**	-	20,000	-
Rita Dhut	15,000	–	–	–	–	–	**15,000**	-	15,000	-
Robert Lister	6,015	–	–	–	–	–	**6,015**	-	6,015	-

1 Includes dividend reinvestment shares relating to SIP shares.

2 Includes Cheryl Gunby's shareholdings and family trusts controlled by Jonathan.

3 Michael Howard's shareholding is shown as a percentage of the fee paid to ObjectMastery for his services to the IHP board.

4 Includes Gillian Cranfield's shareholdings.

The value of each director's shareholding has been calculated by reference to the average of the share price over the final three months of the financial year (£3.64482).

The value of unvested and unexercised share options is shown net of income tax at the additional rate and employee's NI.

The rate for Michael Howard has been calculated by reference to the exchange rate on 30 September of the relevant financial year.

No directors have any other vested or unvested share options as at the end of the FY24.

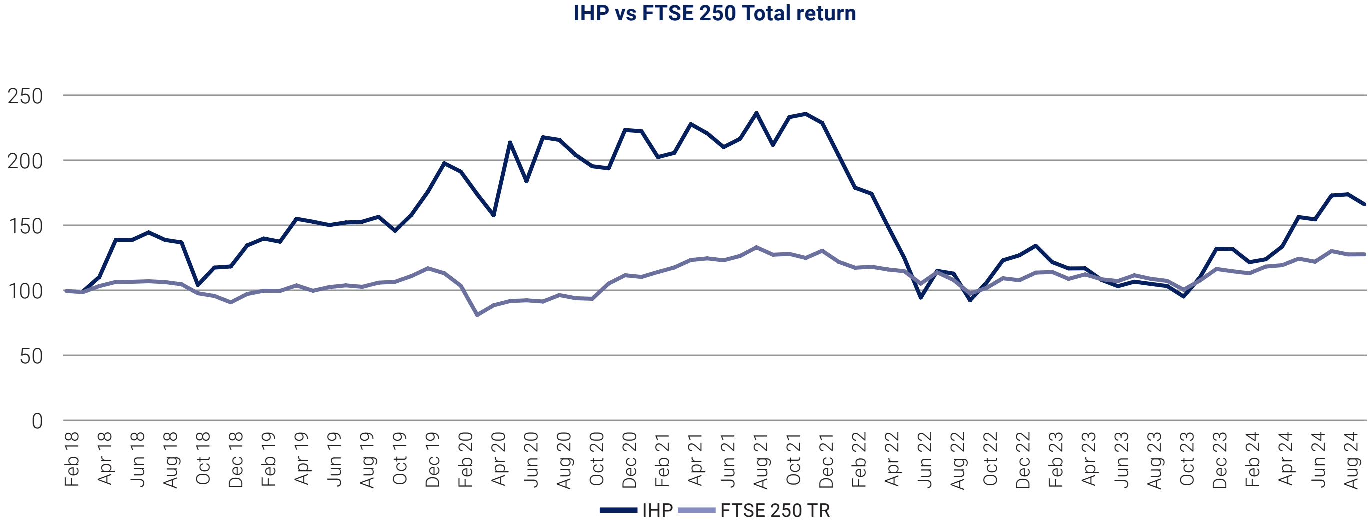
Aside from regular purchases monthly of Partnership Shares and allocation of corresponding Matching Shares under the Share Incentive Plan, there were no changes to the executive directors or non-executive directors' interests in IntegraFin shares during the period from 1 October 2024 to 17 December 2024.

Shareholder return performance graph and CEO pay over the same period

This graph shows the Company's total shareholder return performance from Admission to 30 September 2024.

The Company has chosen to show total shareholder return against the FTSE 250 total return over the same period, as IntegraFin is a member of the index and the board considers this to be the most appropriate comparator.

Total shareholder return performance vs FTSE 250 since 2 March 2018



The following table shows the history of the CEO's remuneration since admission:

CEO Remuneration	CEO single figure of remuneration	Annual bonus payout (as a % of maximum opportunity)	LTIP vesting out-turn (as a % of maximum opportunity)
FY24	**£805k**	**55%**	**N/A**
FY23	£782k	62%	N/A
FY22	£695k	52%	N/A
FY21	£704k	62%	N/A
FY20	£639k	72%	N/A
FY19	£751k	82%	N/A
FY18	£769k	83%	N/A

Note to the table

The figures for FY18 and FY19 relate to the previous CEO, Ian Taylor. The figures for FY20 to date relate to the current CEO, Alexander Scott.

Fees for the Chair and non-executive directors (audited)

Non-executive directors	Year	IHP Fees £'000	IHP Benefits £'000	Subsidiary Fees £'000	Subsidiary Benefits £'000	Total remuneration £'000
Richard Cranfield	**2024**	**180**	**0**	**0**	**0**	**180**
	2023	140	0	0	0	140
Rita Dhut	**2024**	**86**	**0**	**0**	**0**	**86**
	2023	70	0	0	0	70
Christopher Munro[1]	**2024**	**80**	**0**	**18**	**0**	**98**
	2023	80	0	7	0	87
Victoria Cochrane	**2024**	**94**	**0**	**0**	**0**	**94**
	2023	78	0	0	0	78
Robert Lister	**2024**	**82**	**0**	**18**	**0**	**100**
	2023	70	0	7	0	77
Caroline Banszky	**2024**	**95**	**0**	**0**	**0**	**95**
	2023	80	0	0	0	80

1 Christopher Munro retired from the board on 16 July 2024.

Directors' remuneration report continued

4. Annual Remuneration Report continued

Fees for the Chair and non-executive directors (audited) continued

Chair and non-executive director fees were reviewed in December 2023 and adjusted with effect from 1 October 2023.

For the Chair of the board the review reflected consideration of the market context and appropriate peers in the financial services sector. In January 2024, the committee determined that a stepped approach was most appropriate, and the fee was adjusted from £140,000 to £180,000 with effect from 1 October 2023 and at the end of the financial year the committee approved a further step increase to £220,000 with effect from 1 October 2024.

The fees for non-executive directors were also reviewed. In December 2023 the base fee was reduced from £70,000 to £65,000, with more emphasis placed on chairs of committees and committee membership. This approach is considered to better reflect the time commitment of the non-executive directors. A stepped approach was taken to the review, with additional increases made at the end of FY24. The comprehensive review took into account the market context and appropriate peers in the financial services sector, and in particular reflected the additional time commitment and responsibilities arising in the context of FCA and PRA regulatory requirements, and the Group's governance structure.

Element of remuneration by director	**FY24 £**	FY25 £
Chair	**180,000**	220,000
Base fee	**65,000**	66,000
Senior Independent non-executive director	**10,000**	10,500
Audit and Risk Committee Chair	**30,000**	42,000
Audit and Risk Committee member	**10,000**	15,000
Nomination Committee Chair	**N/A**	N/A
Nomination Committee member	**2,500**	5,000
Remuneration Committee Chair	**12,000**	27,000
Remuneration Committee member	**4,000**	7,500
Designated non-executive director	**5,000**	6,000

Additional fees may also apply where non-executive directors sit on subsidiary boards.

Advisers

Deloitte LLP (Deloitte) is retained as adviser to the Remuneration Committee. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

For FY24, total fees for advice to the Remuneration Committee were £121k, with fees on a time and materials basis. During the year Deloitte also provided IFAL with consulting services on regulatory matters.

Deloitte was appointed by the committee, and the committee is satisfied the advice provided by Deloitte is objective and independent.

Management may attend meetings as required, including but not limited to the CEO, HR Director, Head of Legal and Chief Risk Officer.

Directors' report

The directors present their report and financial statements for the year ending 30 September 2024.

The content of the 'Management Report' required by the FCA Disclosure and Transparency Rule DTR4.1 is in the Strategic Report and the Governance section of the Annual Report and financial statements, which also contains details of likely future developments identified by the board. This information is shown in the Strategic Report rather than in the Directors' Report under sections 414 C (11) of the Companies Act.

The Corporate Governance Report on pages 51 to 94 forms part of the Directors' Report.

Information disclosed in accordance with the requirements of the applicable sections of the FCA Listing Rule LR9.8 (Annual Financial Report) can be found here:

Details of Long-Term Incentive Schemes	The Directors' Remuneration Report
Directors' Interests in the Company's Shares	The Directors' Remuneration Report
Major Shareholders' Interests	Directors' Report
Non-executive directors' terms of appointment	Directors' Report
Directors' transactions in the Company's Shares	Directors' Report
Details of non-financial reporting	Corporate Social Responsibility Report

Principal risks and uncertainties

The review of the business and principal risks and uncertainties are disclosed in the Strategic Report at pages 45 to 47.

Internal control and risk management systems

A description of the Group's internal control and risk management systems in relation to the financial reporting process is set out on pages 43 and 44 of the Strategic Report.

Directors

The executive directors who served during the financial year were Alexander Scott, Jonathan Gunby (retired on 30 September 2024), Mike Howard and Euan Marshall.

The non-executive directors who served during the financial year were Richard Cranfield, Caroline Banszky, Victoria Cochrane, Rita Dhut, Christopher Munro (resigned on 16 July 2024) and Robert Lister.

All of the current directors, excluding Christopher Munro and Jonathan Gunby are standing for re-election at the upcoming AGM.

The appointment and replacement of directors is governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The directors may exercise all the powers of the Company.

Service contracts and letters of appointment

All executive directors have written service contracts in place with an employing company in the Group. Although the executive directors' service contracts do not have fixed end dates, they may be terminated with six months' notice from either side. In the event that notice is given to terminate the executive director's contract, the Company may make a payment in lieu of notice or place the individual on garden leave. Entitlement to any variable remuneration arrangements will be determined in accordance with the relevant plan rules and the Directors' Remuneration Policy. Executive directors' service contracts do not make any other provision for termination payments.

Non-executive directors do not have service contracts, but are bound by letters of appointment which are available for inspection on request at the Company's registered office.

Non-executive directors are appointed for a three-year term, subject to confirmation by shareholders at the following annual general meeting and annual re-election at each subsequent annual general meeting.

Directors' report continued

Details of non-executive directors' terms of appointment

Details of the non-executive directors' terms of appointment are set out below:

Non-executive director	Date of first appointment	Date of latest renewal term	Date for further renewal term
Christopher Munro	1 February 2017	13 February 2023	N/A
Caroline Banszky	22 August 2018	22 August 2024	22 August 2027
Victoria Cochrane	28 September 2018	28 September 2024	28 September 2027
Richard Cranfield	26 June 2019	25 June 2022	25 June 2025
Robert Lister	26 June 2019	26 June 2022	26 June 2025
Rita Dhut	22 September 2021	22 September 2024	22 September 2027

Directors' interests

Details of the Directors' interests in the Company's Ordinary Shares can be found on page 92 of the Remuneration Report. During the financial year, rights for share options were granted to Alexander Scott, Jonathan Gunby (resigned 30/09/24) and Euan Marshall under the Company's deferred bonus Share Option Plan.

Throughout the financial year, no director had any material interest in a contract to which the Company or any of its subsidiary undertakings was a party (other than their own service contract) that requires disclosure under the requirements of the Companies Act 2006.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors. These provisions were for the purposes of section 234 of the Companies Act 2006 and were in force throughout the financial year and remain so at the date of this report. In addition, the Company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors.

Status of Company

The Company is registered as a public limited Company under the Companies Act 2006.

Stakeholders

The Group considers its principal stakeholders to be clients and advisers, employees, regulators, shareholders, suppliers, and communities. Details on the Group's stakeholder engagement is outlined on pages 14 to 18.

Diversity and inclusion

The Company recognises the benefits of companies having a diverse board and sees diversity at board level as important in maintaining good corporate and board effectiveness. The Group has an established board Diversity Policy dealing with appointments to the board.

The objective of the Group's board Diversity Policy is to ensure that new appointments to any board within the Group are made on merit, taking into account the different skills, industry experience, independence, knowledge and background required to achieve a balanced and effective board. The Policy also states that the Company will only use executive search firms that have signed up to the Voluntary Code for Executive Search Firms.

When determining the composition of the board, consideration is given to the diversity of board members and, when possible, appointments are made with a view to achieving a balance of skills with diversity. More information on the Group's approach to diversity and inclusion is outlined in the People section on page 27.

Share capital

Structure of the Company's capital

As at 30 September 2024, the Company's issued and fully paid up share capital was 331,322,014 Ordinary Shares of £0.01 each. The Company does not hold any treasury shares. The Ordinary Shares have attached to them equal voting, dividend and capital distribution rights.

Voting rights

At any General Meeting, on a show of hands, any member present in person has one vote and every proxy present, who has been duly appointed by a member entitled to vote on a resolution, has one vote. On a poll vote, every person present in person or by proxy has one vote for every share held. All shares carry equal voting rights and there are no restrictions on voting rights.

Two EBTs operate in connection with the Group's deferred bonus Share Option Plan. The Trustees of the EBTs may exercise all rights attaching to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The Trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Company's shares held in trust. The Trustees of the Company's two Share Incentive Plans (SIPs) will vote as directed by SIP participants in respect of the allocated shares but the Trustees will not otherwise vote in respect of the unallocated shares held in the SIP Trusts.

Restrictions on share transfers

There are restrictions on share transfers, all of which are set out in the Company's Articles. The board may decline to register: a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations 2001; a transfer of certificated shares that are not fully paid; a transfer to more than four joint holders; a transfer of certificated shares which is not in respect of only one class of share; a transfer which is not accompanied by the certificate for the shares to which it relates; a transfer which is not duly stamped and deposited at the Transfer Office (or such other place in England and Wales as the directors may from time to time decide); or a transfer where in accordance with section 794 of the Companies Act 2006 a notice (under section 793 of that Act) has been served by the Company on a shareholder who has then failed to give the information required within the specified time.

Purchase of own shares

At the 2024 AGM, shareholders authorised the Company to buy back up to 10% of its own Ordinary Shares by market purchase at any time prior to the conclusion of the AGM to be held in 2025.

Whilst such authority would only be used if the board was satisfied that to do so would be in the interests of shareholders, the board considers it desirable to have the general authority in order to maintain compliance with the regulatory capital requirements or targets applicable to the Group.

The Company did not purchase any of its own shares during the financial year. However, the EBTs purchase the Company's shares from time to time as authorised under the Trust Deeds in respect of awards granted under the Company's employee share schemes.

Substantial shareholders

As at 17 December 2024, the Company had been notified of the following interests in 3% or more of the Company's issued Ordinary Share capital disclosed to the Company under Disclosure Guidance and Transparency Rule 5. The information provided below was correct as at the date of notification. It should be noted that these holdings are likely to have changed since being notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Shareholder	Nature of holding	Number of Ordinary Shares at 30 September 2024	% of voting rights at 30 September 2024	Number of Ordinary Shares at 17 December 2024	% of voting rights at 17 December 2024
Michael Howard	Direct	25,911,753	7.82%	25,911,753	7.82%
	Indirect	6,088,247	1.84%	6,088,247	1.84%
BlackRock Inc.	Indirect	31,989,838	9.65%	31,565,494	9.52%
	Securities Lending	498,722	0.15%	329,987	0.09%
	Contracts for difference	4,220,304	1.27%	4,514,713	1.36%
Liontrust Investment Partners LLP	Direct	16,910,112	5.10%	16,910,112	5.10%
Evenlode Investment Management Ltd	Direct	N/A*	N/A*	16,621,551	5.02%

The percentage provided was correct at the date of notification.

The interests of the directors, and any persons closely associated, in the issued share capital of the Company are shown on page 92.

* Evenlode Investment Management Ltd provided the Company with its first disclosure under Disclosure Guidance and Transparency Rule 5 on 28 November 2024.

Directors' interests

Except for the shareholding details set out in the Directors' Remuneration Report, there has been no change to the interests of any of the directors or their persons closely associated during the financial year.

Dividends

In financial year 2024, the Company paid two interim dividends. Both dividends were paid by reference to the Company's issued and allotted share capital on the record date.

An interim dividend of 7.0 pence per share – £23.2 million – was paid on 26 January 2024.

An interim dividend of 3.2 pence per share – £10.5 million – was paid on 5 July 2024.

An interim dividend of 7.2 pence per share – £23.9 million – has been declared by the board and will be paid in January 2025.

The Trustees of the EBTs have each waived dividends on shares declared in the Company shares held by those trusts and the Trustees of the SIP have waived dividends on unallocated shares in the Company shares held by it.

Employee information and engagement

The Company has no employees (2023: nil), but the Group had 666 employees at year end (2023: 649). The Group continues to promote a culture whereby employees are encouraged to develop and to contribute to the overall aims of the business.

The Company has considered the requirements of s.172 of the Companies Act on pages 20 and 21, to ensure that the interests of employees are considered by the board in discussions and decision making, and the associated provisions of the 2018 Corporate Governance Code regarding the method of engagement with the workforce. Details of how the Company has engaged with its employees are outlined on page 57 of the Governance Report and in the Responsible Business section on pages 26 and 27.

Significant agreements and change of control

All the Company's share plans contain provisions relating to a change of control. In the event of a change of control, outstanding awards and options may be lapsed and replaced with equivalent awards over shares in the new Company, subject to the Remuneration Committee's discretion.

Engagement with suppliers

The Group monitors its relationships with key suppliers and relationship meetings are held with suppliers of critical business services. The Group monitors its payment performance with suppliers and further details are set out in the Stakeholder Engagement section on page 18.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Emissions

For commentary on emissions, please see the Responsible Business section on pages 30 to 32.

Political donations

The Group does not make political donations.

Employment of disabled people

The Company's policy regarding employment, training, career development and promotion of disabled employees, and employees who become disabled whilst in employment, is to make reasonable adjustments as required.

Post-year-end events

Events after the reporting date are detailed in note 33. There are no reportable events (2023: none).

Disclosure of information to external auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Resolutions to reappoint EY as external auditor of the Company and to authorise the Audit and Risk Committee to determine its remuneration will be proposed at the AGM to be held on 27 February 2025.

2025 AGM

The AGM will be held in person at the Company's headquarters in London on 27 February 2025. Details of the resolutions to be proposed at the AGM are set out in the separate circular which has been sent to all shareholders and is available on the Company's website at www.integrafin.co.uk/shareholder-information/.

By order of the board,

Alexander Scott
Chief Executive Officer
17 December 2024

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and parent Company financial statements in accordance with UK-adopted international accounting standards (IFRSs). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent Company financial statements, state whether UK-adopted international accounting standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Company is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and the Group and enable the directors to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' responsibilities pursuant to DTR4

The directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the parent Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the board,

Helen Wakeford
Company Secretary
17 December 2024

Financial statements

Independent auditor's report

To the members of IntegraFin Holdings plc

Opinion

In our opinion:

- IntegraFin Holdings plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of IntegraFin Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise:

Group	Parent Company
Consolidated Statement of Comprehensive Income for the year ended 30 September 2024	Company Statement of Financial Position as at 30 September 2024
Consolidated Statement of Financial Position as at 30 September 2024	Company Statement of Cash Flows for the year ended 30 September 2024
Consolidated Statement of Cash Flows for the year ended 30 September 2024	Company Statement of Changes in Equity for the year ended 30 September 2024
Consolidated Statement of Changes in Equity for the year ended 30 September 2024	Related notes 1 to 34 to the financial statements, including material accounting policy information
Related notes 1 to 34 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Directors' going concern assessment process and obtaining the Directors' going concern assessment covering the period of 12 months from the date of authorisation of the financial statements;
- assessing and challenging the assumptions used in management's forecast and determining the model is appropriate to enable the Directors to make an assessment on the going concern;
- testing the clerical accuracy of the model;
- evaluating the capital and liquidity position and requirements of the group;
- assessing the appropriateness of the stress and reverse stress test scenarios that consider the key risks identified by management. We evaluated management's analysis by testing the clerical accuracy and challenging the conclusions reached in the stress and reverse stress test scenarios;
- performing enquiries of management and those charged with governance to identify risks or events that may impact the group's ability to continue as a going concern. We also reviewed the management paper presented to the board, minutes of meetings of the board and regulatory correspondence; and
- assessing the appropriateness of the going concern disclosures by comparing the consistency with the Directors' assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Conclusions relating to going concern continued

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	▪ We performed an audit of the complete financial information of seven components and audit procedures on specific balances for a further one component. ▪ The components where we performed full or specific audit procedures accounted for 100% of Profit before tax, 100% of Revenue and 98% of Total assets.
Key audit matters	▪ Recognition of revenue ▪ Impairment of goodwill and intangibles at group and investments in subsidiaries at parent company level
Materiality	▪ Overall group materiality of £3.4m which represents 5% of profit on ordinary activities before taxation attributable to shareholders.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the sixteen reporting components of the Group, we selected eight components covering entities within United Kingdom and Isle of Man, which represent the principal business units within the Group.

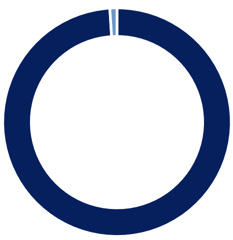
Of the eight components selected, we performed an audit of the complete financial information of seven components ("full scope components") which were selected based on their size or risk characteristics. For the remaining one component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2023: 100%) of the Group's Profit before tax, 100% (2023: 100%) of the Group's Revenue and 98% (2023: 98%) of the Group's Total assets. For the current year, the full scope components contributed 99% (2023: 99%) of the Group's Profit before tax, 100% (2023: 100%) of the Group's Revenue and 98% (2023: 98%) of the Group's Total assets. The specific scope component contributed 1% (2023: 1%) of the Group's Profit before tax, 0% (2023: 0%) of the Group's Revenue and 2% (2023: 2%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining eight components that together represent 0% of the Group's Profit before tax, none are individually greater than 0% of the Group's Profit before tax. For these components, we did not perform any other procedures.

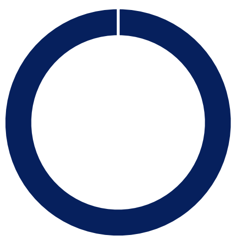
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Profit before tax



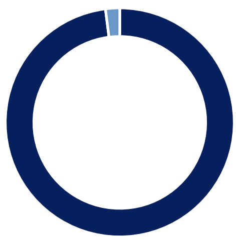
Full scope components (99%)
Specific scope components (1%)

Revenue



Full scope components (100%)
Specific scope components (0%)

Total assets



Full scope components (98%)
Specific scope components (2%)

Independent auditor's report continued

To the members of IntegraFin Holdings plc

An overview of the scope of the Parent Company and Group audits continued

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Group. The Group has determined that the most significant future impacts from climate change on their operations will be from physical (acute and chronic) in the long term and transitional risks (policy, legal, market, reputation and regulatory) in the medium term. These are explained on pages 33 to 37 in the required Task Force On Climate Related Financial Disclosures and on pages 45 to 47 in the principal risks and uncertainties. They have also explained their climate commitments on pages 33 to 37. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The group has explained in their articulation of how climate change has been reflected in the financial statements Basis of Preparation note how they have reflected the impact of climate change in their financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements as the impact of climate risk is not material.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments resulting in a conclusion that there was no material impact from climate change on the recognition and measurement of the assets and liabilities in these financial statements as at 30 September 2024 and the adequacy of the Group's disclosures in the financial statements which explains the rationale. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Recognition of revenue (£144.9 million, 2023: £134.9 million) *Refer to the Accounting policies (page 115); and Note 5 of the Consolidated Financial Statements (page 127).* *Revenue is material to the group and is a key focus of stakeholders. As disclosed in note 5 of the financial statements, the group categorise revenue into four sub-categories:* ▪ *Annual charge (£126.1m, 2023: £116.1m) is charged for the administration of products on the Transact platform.* ▪ *Wrapper charge (£12.8m, 2023: £12.3m) is charged for each of the tax wrappers held by clients.* ▪ *Adviser back-office technology (comprising licence income and consultancy income) (£4.9m, 2023: £4.8m) is the rental charge for use of access to T4A's CRM software and the charge for consultancy services provided by T4A.* ▪ *Other income (£1.1m, 2023: £1.7m) is charges levied on the acquisition of assets which comprises buy commissions and dealing charges.*	For all material revenue streams, we have: ▪ confirmed and updated our understanding of the procedures and controls in place throughout the revenue process at the group through walkthrough procedures; and ▪ performed enquiries of management and performed journal entry testing in order to address the risk of management override. In the prior year, IT general controls were not considered to be effective for the full year as deficiencies were remediated by management during the year and we concluded that the IT general controls were designed effectively from the point of remediation. During the current year, IT general controls were considered to be effective for the full year.	Based on the procedures performed, we have no matters to report in respect of revenue recognition.

An overview of the scope of the Parent Company and Group audits continued

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Recognition of revenue (£144.9 million, 2023: £134.9 million) continued Annual charge, wrapper charge income and other income account for 97% of total fee income. These revenues are automatically calculated by the Integrated Administration System ('IAS') IT platform. There is a risk therefore that revenue may be misstated due to failure or manipulation of the calculation methodology within IAS. The principal data inputs into the automated fee calculations include the quantity and pricing of underlying positions and commission percentages. There is therefore a risk that revenue may be materially misstated due to errors in the underlying data inputs into IAS. There is also the risk that stakeholder expectations place pressure on management to manipulate the recognition of revenue. This may result in an overstatement of revenue to meet targets and expectations. In relation to Licence and Consultancy Income which accounts for 3% of total fee income, there is a risk that revenue is not recognised in line with the terms of the underlying contracts and agreements. The risk has not changed in the current year.	Our testing of annual charge and wrapper charge income was split into two elements: 1. Testing to address the risk of failure or manipulation within the calculation. We have: ▪ recalculated all material revenue sub-categories (annual charge and wrapper charge) using the criteria and logic per the underlying agreements with investors; ▪ performed a variance analysis between the EY recalculated revenue balance per each sub-category and the amounts per the general ledger, investigating any material differences; ▪ performed completeness checks between the IAS reports and general ledger; and ▪ on a sample basis, reperformed calculations that are automatically performed in IAS and form part of the inputs into the revenue calculations. For example, the daily average value of the portfolio which forms part of the annual commission calculation. 2. Testing to address the risk of data inputs being incorrect. On a sample basis, we have: ▪ agreed inputs to the underlying agreements for onboarding clients onto the platform; ▪ agreed the fee terms used in the revenue calculation to the published Transact Commission and Charges Schedule; ▪ for annual commissions recalculated the average portfolio value used within the fee calculations based on the daily pricing per IAS; ▪ for annual commissions, agreed the quantity of positions per portfolio back to the custodian statements per IAS; ▪ agreed fees paid back to bank statements; and ▪ as part of cut off testing, performed analytical reviews over pre year end and post year end journals to ensure these relate to the correct period by agreeing to IAS reports. For licence income, consultancy income and other income, on a sample basis we have: ▪ agreed the fee terms used in the calculation to agreements; and ▪ agreed the fees to underlying agreements and invoices and vouched balances to the bank statements.	

Independent auditor's report continued

To the members of IntegraFin Holdings plc

An overview of the scope of the Parent Company and Group audits continued

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Impairment of goodwill and intangibles at group and investments in subsidiaries at parent company level **In the Consolidated Statement of Financial position Goodwill and Other Intangible is £20.9 million (2023: £21.4 million) and in the parent Company Statement of Financial Position Investment in subsidiaries is £47.6 million (2023: £35.3 million)** *Refer to the Audit and Risk Committee Report (page 60); Accounting policies (pages 116 and 117); Note 12 of the Consolidated Financial Statements (page 134 and 135) and Note 15 of the Consolidated Financial Statements (pages 137 and 138).* Goodwill of £12.9 million was recognised on the acquisition of IAD Pty in July 2016 and £5.3 million on the acquisition of Time 4 Advice Limited ('T4A') in January 2021. As of 30 September 2024, acquired intangible assets consists of £1.6 million (2023: £1.7 million) of contractual customer relationships, £0.9 million (2023: £1.2 million) of software and £0.2 million (2023: £0.2 million) of brand. Investments in subsidiaries at parent company level is £47.6 million (2023: £35.3 million). During the year, there was an impairment of £6.3 million relating to the investment in subsidiaries for T4A in the parent company financial statements There is a risk that management makes inappropriate or inaccurate judgements or estimates when performing the goodwill and intangibles impairment assessment and investment in subsidiaries impairment assessment, in the parent company financial statements. The risk has increased in the current year due to changes to the business plans for T4A and the resultant impact on the short term forecasts.	We have: ■ confirmed and updated our understanding of the procedures and controls in place to assess the Value in use and therefore need for impairment in Cash Generating units (CGUs) or subsidiaries; ■ challenged management over the appropriateness of the CGUs identified for which a goodwill impairment assessment is performed, by reviewing supporting evidence to demonstrate the separately identifiable assets and cash inflows for each CGU and by considering the level at which management monitor financial information; ■ reviewed the future cash flow forecasts against budget and back testing the accuracy of prior cash flow forecasting; ■ performed sensitivity analysis by flexing the key assumptions to establish the values that would result in an impairment; and ■ assessed the adequacy of management's accounting policies and disclosures in respect of IAS 38 Intangible Assets ('IAS 38') and IAS 36 Impairment of Assets ('IAS 36').	Based on the procedures performed, we have no matters to report in respect of goodwill and other intangible assets at group and Investments in subsidiaries at parent company level.

We have identified "Impairment of goodwill and intangibles at group and investments in subsidiaries at parent company level" as a new key audit matter in the current year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £3.4 million (2023: £3.1 million), which is 5% (2023: 5%) of profit on ordinary activities before taxation attributable to shareholders. We believe that profit on ordinary activities before taxation attributable to shareholders provides us with the most relevant performance measure to the stakeholders of the group.

We determined materiality for the parent Company to be £0.73 million (2023: £0.58 million), which is 1% (2023: 1%) of net assets.

During the course of our audit, we reassessed initial materiality based on 30 September 2024 financial statement amounts and adjusted our audit procedures accordingly.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £2.5m (2023: £2.3m) for the group and £0.5m (2023: £0.4m) for the parent company. We have set performance materiality at this percentage due to this being a recurring audit.

Our application of materiality continued

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2023: £0.15m) for the group and £0.04m (2023: £0.03m) for the parent company, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report including Strategic Report, Governance Report and Other Information sections set out on pages 1 to 98 and 147 to 151, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 49;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 49;
- Directors' statement on fair, balanced and understandable set out on page 98;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 45 to 48;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 62 and 63; and;
- The section describing the work of the audit committee set out on pages 60 to 64.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 98, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so

Independent auditor's report continued

To the members of IntegraFin Holdings plc

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules and relevant Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA') rules and regulations.
- We understood how IntegraFin Holdings plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance matters and those charged with governance. We also reviewed correspondences between the parent company and UK regulatory bodies; reviewed minutes of the Board, and the audit and risk committee; and gained understanding of the group's approach to governance framework.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We have considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of analysts. We considered the controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment and how senior management monitors these controls. We also considered areas of significant judgements, complex transactions and economic or external pressures and the impact these have on the control environment. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals with high risk characteristics, enquiries of senior management and the group's legal adviser, including those at full and specific scope; and focused testing, as referred to in the key audit matters section above. We also enquired about the policies that have been established to prevent non-compliance with laws and regulations by officer and employees and the parent company's methods of enforcing and monitoring compliance with such policies. We inspected significant correspondence with the PRA and FCA.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit and risk committee, we were appointed by the company on 24 February 2022 to audit the financial statements for the year ending 30 September 2022 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the years ending 30 September 2022 to 30 September 2024.
- The audit opinion is consistent with the additional report to the audit and risk committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Gaylor
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 December 2024

Consolidated statement of comprehensive income

For the year ended 30 September 2024

	Note	2024 £m	2023 £m
Revenue	5	**144.9**	134.9
Cost of sales		**(3.0)**	(3.9)
Gross profit		**141.9**	131.0
Expenses			
Administrative expenses	8	**(85.0)**	(74.6)
Expected credit losses on financial assets	22	**0.1**	(0.1)
Operating profit		**57.0**	56.3
Interest income	9	**10.7**	6.4
Interest expense	25	**(0.2)**	(0.1)
Net policyholder returns			
Net gain attributable to policyholder returns		**40.2**	12.1
Change in investment contract liabilities		**(3,051.7)**	(1,056.0)
Fee and commission expenses		**(232.7)**	(193.3)
Policyholder investment returns	10	**3,284.4**	1,249.3
Net policyholder returns		**40.2**	12.1
Profit on ordinary activities before taxation attributable to policyholders and shareholders		**107.7**	74.7
Policyholder tax charge		**(38.8)**	(12.1)
Profit on ordinary activities before taxation attributable to shareholders		**68.9**	62.6
Total tax attributable to shareholder and policyholder returns	11	**(55.6)**	(24.8)
Less: tax attributable to policyholder returns	11	**38.8**	12.1
Shareholder tax on profit on ordinary activities		**(16.8)**	(12.7)
Profit for the financial year		**52.1**	49.9
Other comprehensive loss			
Exchange losses arising on translation of foreign operations		**–**	(0.1)
Total other comprehensive losses for the financial year		**–**	(0.1)
Total comprehensive income for the financial year		**52.1**	49.8
EPS			
Ordinary shares – basic	7	**15.8p**	15.1p
Ordinary shares – diluted	7	**15.7p**	15.1p

All activities of the Group are classed as continuing.

Notes 1 to 34 form part of these financial statements.

Consolidated statement of financial position

As at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Loans receivable	16	**6.5**	6.3
Intangible assets	12	**20.9**	21.4
Property, plant and equipment	13	**1.5**	1.1
Right-of-use assets	14	**2.6**	1.0
Deferred tax asset	26	**1.1**	0.7
		32.6	30.5
Current assets			
Investments	21	**2.6**	22.4
Prepayments and accrued income	22	**18.8**	17.2
Trade and other receivables	23	**2.9**	3.6
Current tax asset		**1.6**	14.3
Cash and cash equivalents	19	**244.1**	177.9
		270.0	235.4
Current liabilities			
Trade and other payables	24	**21.7**	19.5
Provisions	27	**23.3**	7.7
Lease liabilities	25	**2.5**	0.3
		47.5	27.5
Non-current liabilities			
Provisions	27	**16.4**	40.5
Lease liabilities	25	**0.4**	0.8
Deferred tax liabilities	26	**30.0**	7.2
		46.8	48.5
Policyholder assets and liabilities			
Cash held for the benefit of policyholders	20	**1,622.8**	1,419.2
Investments held for the benefit of policyholders	17	**27,237.8**	23,021.7
Liabilities for linked investment contracts	18	**(28,860.6)**	(24,440.9)
		-	-
Net assets		**208.3**	189.9
Equity			
Called up equity share capital		**3.3**	3.3
Share-based payment reserve	28	**4.1**	3.4
EBT reserve	29	**(3.3)**	(2.6)
Foreign exchange reserve	30	**(0.1)**	(0.1)
Non-distributable reserves	30	**5.7**	5.7
Retained earnings		**198.6**	180.2
Total equity		**208.3**	189.9

These financial statements were approved by the board of directors on 17 December 2024 and are signed on their behalf by:

Euan Marshall
Director
Company Registration Number: 08860879

Notes 1 to 34 form part of these financial statements.

Company statement of financial position

As at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment in subsidiaries	15	**46.2**	35.3
Loans receivable	16	**6.5**	6.3
		52.7	41.6
Current assets			
Trade and other receivables	23	**0.1**	0.1
Cash and cash equivalents		**27.8**	26.0
		27.9	26.1
Current liabilities			
Trade and other payables	24	**3.0**	2.5
Loans payable	16	**1.0**	1.0
		4.0	3.5
Non-current liabilities			
Loans payable	16	**5.0**	6.0
		5.0	6.0
Net assets		**71.6**	58.2
Equity			
Called up equity share capital		**3.3**	3.3
Share-based payment reserve	28	**3.4**	2.7
EBT reserve	29	**(3.0)**	(2.4)
Profit or loss account			
Brought forward retained earnings		**54.6**	56.7
Profit for the year		**47.0**	31.6
Dividends paid in the year		**(33.7)**	(33.7)
Profit or loss account		**67.9**	54.6
Total equity		**71.6**	58.2

The Company has taken advantage of the exemption in section 408 (3) of the Companies Act 2006 not to present its own income statement in these financial statements.

These financial statements were approved by the board of directors on 17 December 2024 and are signed on their behalf by:

Euan Marshall
Director
Company Registration Number: 08860879

Notes 1 to 34 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 September 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Profit on ordinary activities before taxation attributable to policyholders and shareholders	**107.7**	74.7
Adjustments for non-cash movements:		
Amortisation and depreciation	**2.2**	2.5
Share-based payment charge	**2.3**	2.1
Decrease in contingent consideration	**–**	(1.7)
Interest charged on lease	**0.2**	0.1
Decrease in provisions	**(8.5)**	(8.6)
Adjustments for cash effecting investing and financing activities:		
Interest on cash and loans	**(10.7)**	(6.4)
Adjustments for statement of financial position movements:		
Increase in trade and other receivables, and prepayments and accrued income	**(0.9)**	(1.6)
Increase/(decrease) in trade and other payables	**2.2**	(2.0)
Adjustments for policyholder balances:		
Increase in investments held for the benefit of policyholders	**(4,216.1)**	(2,305.9)
Increase in liabilities for linked investment contracts	**4,419.7**	2,266.5
(Decrease)/increase in policyholder tax recoverable	**(11.0)**	10.0
Cash generated from operations	**287.1**	29.7
Income tax paid	**(9.7)**	(22.4)
Interest paid on lease liabilities	**(0.2)**	(0.1)
Net cash flows generated from operating activities	**277.2**	7.2
Investing activities		
Acquisition and disposal of property, plant and equipment	**(0.9)**	(0.7)
Purchase of investments	**(2.5)**	(22.3)
Redemption of investments	**22.8**	3.0
Increase in loans	**(0.2)**	(0.8)
Interest on cash and loans held	**10.2**	6.4
Net cash generated from/(used in) investing activities	**29.4**	(14.4)
Financing activities		
Purchase of own shares in EBT	**(0.8)**	(0.4)
Purchase of shares for share scheme awards	**(1.5)**	(1.1)
Equity dividends paid	**(33.7)**	(33.7)
Payment of principal portion of lease liabilities	**(0.8)**	(1.9)
Net cash used in financing activities	**(36.8)**	(37.1)
Net increase/(decrease) in cash and cash equivalents	**269.8**	(44.3)
Cash and cash equivalents at beginning of year	**1,597.1**	1,641.6
Exchange losses on cash and cash equivalents	**–**	(0.1)
Cash and cash equivalents at end of year	**1,866.9**	1,597.1
Cash and cash equivalents consist of:		
Cash and cash equivalents	**244.1**	177.9
Cash held for the benefit of policyholders	**1,622.8**	1,419.2
Cash and cash equivalents	**1,866.9**	1,597.1

Notes 1 to 34 form part of these financial statements.

Company statement of cash flows

For the year ended 30 September 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Loss before interest and dividends attributable to shareholders	**(14.1)**	(2.0)
Adjustments for non-cash movements:		
Decrease in contingent consideration	**–**	(1.7)
Adjustment for statement of financial position movements:		
Decrease in trade and other receivables, and prepayments and accrued income	**–**	0.2
Increase in trade and other payables	**0.5**	0.1
Impairment of subsidiary	**6.3**	–
Net cash flows used in operating activities	**(7.3)**	(3.4)
Investing activities		
Dividends received	**60.5**	33.3
Acquisition of subsidiary shares	**(15.0)**	–
Interest on cash and loans	**1.2**	0.9
Increase in loans	**(0.2)**	(0.8)
Net cash generated from investing activities	**46.5**	33.4
Financing activities		
Purchase of own shares in EBT	**(0.6)**	(0.5)
Purchase of shares for share scheme awards	**(1.4)**	(1.3)
Repayment of loans	**(1.0)**	(1.0)
Interest expense on loans	**(0.7)**	(0.6)
Equity dividends paid	**(33.7)**	(33.7)
Net cash used in financing activities	**(37.4)**	(37.1)
Net increase/(decrease) in cash and cash equivalents	**1.8**	(7.1)
Cash and cash equivalents at beginning of year	**26.0**	33.1
Cash and cash equivalents at end of year	**27.8**	26.0

Notes 1 to 34 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 September 2024

	Called up equity share capital £m	Non-distributable insurance and foreign exchange reserves £m	Share-based payment reserve £m	EBT reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2022	3.3	5.7	2.6	(2.4)	164.0	173.2
Comprehensive income for the year:						
Profit for the year	–	–	–	–	49.9	49.9
Movement in currency translation	–	(0.1)	–	–	–	(0.1)
Total comprehensive income for the year	–	(0.1)	–	–	49.9	49.8
Share-based payment expense	–	–	2.1	–	–	2.1
Settlement of share-based payment	–	–	(1.5)	–	–	(1.5)
Purchase of own shares in EBT	–	–	–	(0.4)	–	(0.4)
Excess tax relief charged to equity	–	–	0.2	–	–	0.2
Exercised share options	–	–	–	0.2	–	0.2
Distributions to owners — dividends paid	–	–	–	–	(33.7)	(33.7)
Balance at 30 September 2023	3.3	5.6	3.4	(2.6)	180.2	189.9
Balance at 1 October 2023	3.3	5.6	3.4	(2.6)	180.2	189.9
Comprehensive income for the year:						
Profit for the year	–	–	–	–	52.1	52.1
Total comprehensive income for the year	–	–	–	–	52.1	52.1
Share-based payment expense	–	–	2.3	–	–	2.3
Settlement of share-based payment	–	–	(1.6)	–	–	(1.6)
Purchase of own shares in EBT	–	–	–	(0.8)	–	(0.8)
Exercised share options	–	–	–	0.1	–	0.1
Distributions to owners — dividends paid	–	–	–	–	(33.7)	(33.7)
Balance at 30 September 2024	**3.3**	**5.6**	**4.1**	**(3.3)**	**198.6**	**208.3**

Notes 1 to 34 form part of these financial statements.

Company statement of changes in equity

For the year ended 30 September 2024

	Called up equity share capital £m	Share-based payment reserve £m	EBT reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2022	3.3	2.2	(2.1)	56.7	60.1
Comprehensive income for the year:					
Profit for the year	–	–	–	31.6	31.6
Total comprehensive income for the year	–	–	–	31.6	31.6
Share-based payment expense	–	1.9	–	–	1.9
Settlement of share-based payments	–	(1.4)	–	–	(1.4)
Purchase of own shares in EBT	–	–	(0.3)	–	(0.3)
Distributions to owners — dividends paid	–	–	–	(33.7)	(33.7)
Balance at 30 September 2023	3.3	2.7	(2.4)	54.6	58.2
Balance at 1 October 2023	3.3	2.7	(2.4)	54.6	58.2
Comprehensive income for the year:					
Profit for the year	–	–	–	47.0	47.0
Total comprehensive income for the year	–	–	–	47.0	47.0
Share-based payment expense	–	2.1	–	–	2.1
Settlement of share-based payments	–	(1.4)	–	–	(1.4)
Purchase of own shares in EBT	–	–	(0.6)	–	(0.6)
Distributions to owners — dividends paid	–	–	–	(33.7)	(33.7)
Balance at 30 September 2024	**3.3**	**3.4**	**(3.0)**	**67.9**	**71.6**

Notes 1 to 34 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2024

1. Basis of preparation and material accounting policies

General information

IntegraFin Holdings plc (the 'Company'), a public limited company incorporated and domiciled in the United Kingdom (UK), along with its subsidiaries (collectively the Group), offers a range of services which are designed to help financial advisers and their clients to manage financial plans in a simple, effective and tax efficient way.

The registered office address, and principal place of business, is 29 Clement's Lane, London EC4N 7AE.

a) Basis of preparation

The consolidated financial statements (financial statements) have been prepared and approved by the directors in accordance with UK-adopted international accounting standards (IFRSs).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, which are stated at their fair value have been prepared in pound sterling, which is the presentational and functional currency of the Group and Company, and are rounded to the nearest hundred thousand.

Climate risks have been considered where appropriate in the preparation of these financial statements, with particular consideration given to the impact of climate risk on the fair value calculations and impairment assessments. This has concluded that the impact of climate risk on the financial statements is not material.

Going concern

The financial statements have been prepared on a going concern basis, following an assessment by the board.

Going concern is assessed over the 12-month period from when the Annual Report is approved, and the board has concluded that the Group has adequate resources, liquidity and capital to continue in operational existence for at least this period. This is supported by:

- The current financial position of the Group:
  - The Group maintains a conservative balance sheet and manages and monitors solvency and liquidity on an ongoing basis, ensuring that it always has sufficient financial resources for the foreseeable future.
  - As at 30 September 2024, the Group had £244.1 million of shareholder cash on the Consolidated Statement of Financial Position, demonstrating that liquidity remains strong.
- Detailed cash flow and working capital projections.
- Stress testing of liquidity, profitability and regulatory capital, taking account of principal risks and possible adverse changes in both the economic and geopolitical climate. These scenarios provide assurance that the Group has sufficient capital and liquidity to operate under stressed conditions.

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including the political and geopolitical instability, and a tough macro-environment with ongoing higher interest rates and cost of living pressures. The environment has been challenging during the year, but our financial and operational performance has been robust, and the Group's fundamentals remain strong.

As detailed in the Going Concern and Viability Statement (pages 49 and 50), stress and scenario testing has been carried out, in order to understand the potential financial impacts of severe, yet plausible, scenarios on the Group. This assessment incorporated a number of stress tests covering a broad range of scenarios, including a cyber attack, system and process failures, persistent high inflation with depressed markets, and climate-related impacts.

Having conducted detailed cash flow and working capital projections and stress-tested liquidity, profitability and regulatory capital, taking account of the economic challenges mentioned above, the board is satisfied that the Group is well placed to manage its business risks. The board is also satisfied that it will be able to operate within the regulatory capital limits imposed by the FCA, PRA, and Isle of Man Financial Services Authority (IoM FSA).

The board has concluded that the Group has adequate resources to continue its operations, including operating in surplus of the regulatory capital and liquidity requirements imposed by regulators, for a period of at least 12 months from the date this Annual Report is approved. For this reason, they have adopted the going concern basis for the preparation of the financial statements.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and its subsidiaries. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is presumed to exist where the Group owns the majority of the voting rights of an entity. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. Acquisitions are accounted for under the acquisition method. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated on consolidation.

The financial statements of all of the wholly owned subsidiary companies are incorporated into the financial statements. Two of these subsidiaries, IntegraLife International Limited (ILInt) and IntegraLife UK Limited (ILUK), issue contracts with the legal form of insurance contracts, but which do not transfer significant insurance risk from the policyholder to the Company, and which are therefore accounted for as investment contracts.

In accordance with IFRS 9, the contracts concerned are therefore reflected in the Consolidated Statement of Financial Position as investments held for the benefit of policyholders, and a corresponding liability to policyholders.

Changes to International Reporting Standards

Interpretations and standards which became effective during the year.

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

IFRS 17	Insurance Contracts	1 January 2023
IAS 8	Definition of accounting estimates (Amendments)	1 January 2023
IAS 1	Disclosure of accounting policies (Amendments)	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction (Amendments)	1 January 2023
IAS 12	International tax reform — Pillar two model rules (Amendments)	1 January 2023

Interpretations and standards in issue but not yet effective.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1. Basis of preparation and material accounting policies continued

b) Material accounting policies

Revenue from contracts with customers

Revenue represents the fair value of services supplied by the Group. All fee income is recognised as revenue on an accruals basis and in line with the provision of the services.

Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

When the Group provides a service to its customers, consideration is generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The Group has discharged all of its obligations in relation to contracts with customers, and the amounts received or receivable from customers equal the amount of revenue recognised on the contracts. All amounts due from customers are therefore recognised as receivables within accrued income, and the Group has no contract assets or liabilities.

Fee income comprises:

Annual charge

The annual charge is for the administration of products on the Transact platform, and is levied monthly in arrears on the average value of assets and cash held on the platform. The value of assets and cash held on the platform is driven by market movements, inflows, outflows and other factors.

Wrapper charge

Wrapper charges are applied on the tax wrappers held by clients and are levied quarterly in arrears based on fixed fees for each wrapper type.

The annual charge and wrapper charges relate to services provided on an ongoing basis, and revenue is therefore recognised on an ongoing basis to reflect the nature of the performance obligations being discharged. As the benefit to the customer of the services is transferred evenly over the service period, these fees are recognised as revenue evenly over the period, based on time elapsed.

Accrued income on both the annual charge and wrapper charges is recognised as prepayments and accrued income on the Consolidated Statement of Financial Position, as the Group's right to consideration is conditional on nothing other than the passage of time.

Licence income

Licence income is the rental charge for use of access to T4A's CRM software. The rental charge is billed monthly in advance, based on the number of users. Revenue is recognised in line with the provision of the service.

Consultancy income

Consultancy income relates to consultancy services provided by T4A on an as-needs basis. Revenue is recognised when performance obligations are met (in line with IFRS 15). Accrued consultancy income is recognised as a financial asset on the statement of financial position. The Group's right to consideration is conditional on provision of the consultancy service.

Other income

This comprises buy commission and dealing charges. These are charges levied on the acquisition of assets, due upon completion of the transaction. Revenue is recorded on the date of completion of the transaction, as this is the date the services are provided to the customer. As the benefit to the customer of the services is transferred at a point in time, these fees are recognised at the point they are provided.

Interest income

Interest on shareholder cash, policyholder cash, loans and coupon on shareholder gilts are the sources of interest income received. These are recognised in the Consolidated Statement of Comprehensive Income, with interest on shareholder assets recognised within interest income, and interest on policyholder assets recognised within policyholder returns. Under IFRS 9, interest income is recorded using the effective interest method for all financial assets measured at amortised cost and is recognised in the Consolidated Statement of Comprehensive Income.

Cost of sales

Cost of sales relates to costs directly attributable to the supply of services provided to the Group and are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

Administrative expenses

Administration expenses relate to overhead costs and are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

Fee and commission expenses

Fee and commission expenses are paid by ILUK and ILInt policyholders to their financial advisers. Expenses comprise the annual charge which is levied monthly in arrears on the average value of assets and cash held on the platform in the month and upfront fees charged on new premiums on the platform.

Investments

Investment in subsidiaries are stated at cost less any provision for impairment.

Other investments comprise UK Government gilts held as shareholder investments. Gilts were acquired in both the current and previous financial years, which were assessed upon purchase and deemed to meet the criteria to classify as amortised cost under IFRS 9 Financial Instruments, namely:

- they are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements continued

For the year ended 30 September 2024

1. Basis of preparation and material accounting policies continued

b) Material accounting policies continued

Investments continued

Investment contracts – investments held for the benefit of policyholders

Investment contracts held for the benefit of policy holders are comprised of unit-linked contracts. Investments held for the benefit of policyholders are stated at fair value and reported on a separate line in the Consolidated Statement of Financial Position, see accounting policy on financial instruments for fair value determination. Investment contracts result in financial liabilities whose fair value is dependent on the fair value of underlying financial assets. They are designated at inception as financial liabilities at 'fair value through profit or loss' in order to reduce an accounting mismatch with the underlying financial assets. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Comprehensive Income within "policyholder investment returns".

The net gains attributable to policyholder returns arise due to releases of tax charges reserved for policyholders to shareholder profit. These are made throughout the year to recognise any corporate benefit on policyholder charges, and include two elements:

1. The Annual Management Charges (AMCs) - under HMRC rules, ILUK's corporate I-E tax is calculated net of management expenses relating to insurance products. Policyholders, on the other hand, are charged tax on their income and gains before expenses are deducted. This gives rise to a difference between the amount recorded as policyholder tax and the amount paid to HMRC as the tax payable is based on the I-E calculation. This is a permanent difference arising as a result of the different methodologies and it is industry practice to recognise this as shareholder profit. ILUK uses the AMC method of calculating tax relief on policyholder expenses to determine the release to profit. This release to profit is taxed as corporate income at the corporate tax rate.
2. Surplus reserves - there is also an annual release of any cash held in reserves which cannot be refunded back to policyholders, due to the policyholder moving provider or surrendering their policy. The surplus released to profit is taxed as corporate income at the corporate tax rate.

Investment inflows received from policyholders are invested in funds selected by the policyholders. The resulting liabilities for linked investment contracts are accounted for under the "fair value through profit or loss" option, in line with the corresponding assets as permitted by IFRS 9.

As all investments held for the benefit of policyholders are matched entirely by corresponding linked liabilities; any gain or loss on assets recognised through the Consolidated Statement of Comprehensive Income are offset entirely by the gains and losses on linked liabilities, which are recognised within the "change in investment contract liabilities" line. The overall net impact of "change in investment contract liabilities", "fee and commission expenses" and "policyholder investment returns" on profit is therefore £nil.

Policyholder provisions released to shareholder profit are recognised in the Consolidated Statement of Comprehensive Income within net gain attributable to policyholders.

Investment contracts are measured at fair value using quoted mid prices that are available at the reporting date and are traded in active markets. Where this is not available, valuation techniques are used to establish the fair value at inception and each reporting date.

The Company's main valuation techniques incorporate all factors that market participants would consider and are based on observable market data. The financial liability is measured both initially and subsequently at fair value. The fair value of a unit-linked financial liability is determined using the fair value of the financial assets contained within the funds linked to the financial liability.

Dividends

Equity dividends paid are recognised in the accounting period in which the dividends are declared and approved.

Intangible non-current assets

Intangible non-current assets, excluding goodwill, are stated at cost less accumulated amortisation and comprise intellectual property software rights. The software rights were amortised over seven years on a straight line basis, as it was estimated that the software would be rewritten every seven years, and therefore have a finite useful life. The software rights are now fully amortised, but due to ongoing system development and coding updates no replacement is required.

Goodwill is held at cost and, in accordance with IFRS, is not amortised but is subject to annual impairment reviews.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

The major categories of property, plant, equipment are depreciated as follows:

Asset class	All UK and Isle of Man entities	Australian entity
Leasehold improvements	Straight line over the life of the lease	Straight line over 40 years
Fixtures and fittings	Straight line over 10 years	Straight line over 10 years
Equipment	Straight line over 3 to 10 years	Straight line over 3 years
Motor vehicles	N/A	25% reducing balance

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Goodwill and goodwill impairment

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill is recognised as an asset at cost at the date when control is achieved and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is allocated to one or more CGUs expected to benefit from the synergies of the combination, where the CGU represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Goodwill is reviewed for impairment at least once annually, and also whenever circumstances or events indicate there may be uncertainty over this value. The impairment assessment compares the carrying value of goodwill to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed.

1. Basis of preparation and material accounting policies continued

b) Material accounting policies continued

Impairment of investments in subsidiaries

Investments in subsidiaries are recognised by the Company at cost. The Company assesses at each reporting date, whether there is an indication that an investment in subsidiaries may be impaired. The impairment assessment compares the carrying value of the investment to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income. When the circumstances that caused the impairment loss are favourably resolved, the impairment loss is reversed immediately.

Intangible assets acquired as part of a business combination

Intangible assets acquired as part of a business combination are recognised where they are separately identifiable and can be measured reliably.

Acquired intangible assets consist of contractual customer relationships, software and brand. These items are capitalised at their fair value, which are based on either the 'relief from royalty' valuation methodology or the 'multi-period excess earnings method', as appropriate for each asset. Subsequent to initial recognition, acquired intangible assets are measured at cost less accumulated amortisation and any recognised impairment losses.

Amortisation is recognised in the Consolidated Statement of Comprehensive Income within administration expenses on a straight line basis over the estimated useful lives of the assets, which are as follows:

Asset class	Useful life
Customer relationships	15 years
Software	7 years
Brand	10 years

The method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset).

The Group evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Goodwill is tested for impairment annually and once an impairment is recognised this cannot be reversed. For more detailed information in relation to this, please see note 12.

Pensions

The Group makes defined contributions to the personal pension schemes of its employees. These are chargeable to Consolidated Statement of Comprehensive Income in the period in which they become payable.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated to sterling at the year-end closing rate. Foreign exchange rate differences that arise are reported net in the Consolidated Statement of Comprehensive Income as foreign exchange gains/losses.

The assets and liabilities of foreign operations are translated to sterling using the year-end closing exchange rate. The revenues and expenses of foreign operations are retranslated to sterling at rates approximating the foreign exchange rates ruling at the relevant month of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the reserves.

Taxation

Current income tax

The taxation charge is based on the taxable result for the year. The taxable result for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of corporation tax payable.

Policyholder tax comprises corporation tax payable at the policyholder rate on the policyholder share of the taxable result for the year, together with deferred tax at the policyholder rate on temporary differences relating to policyholder items.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated Statement of Financial Position differs from its tax base.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets/liabilities are recovered/settled.

With regard to capital gains tax on policyholders' future tax obligations, management has determined that reserves should be held to cover this, based on a reserve charge rate of 20%. The deferred capital gains upon which the reserve charges are calculated are reflected in the closing deferred tax balance.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient tax profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related developments on the business, such as increased cost of production as a result of measures to reduce carbon emissions.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legal enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the financial statements continued

For the year ended 30 September 2024

1. Basis of preparation and material accounting policies continued

b) Material accounting policies continued

Taxation continued

Policyholder tax

HMRC requires ILUK to charge basic rate income tax on its life insurance policies (FA 2012, s.102). ILUK collects this tax quarterly, by charging 20% tax (2023: 20%) on gains from assets held in the policies, based on the policyholder's acquisition costs and market value at each quarter end. Additional charges are applied on any increases in the previously charged gain. The charge is adjusted by the fourth financial year quarter so that the total charge for the year is based on the gain at the end of the financial year. When assets are sold at a loss or reduce in market value by the financial year end, a refund of the charges may be applied. Policyholder tax is recorded as a tax expense/(tax credit) in the Consolidated Statement of Comprehensive Income, with a corresponding asset/(liability) recognised on the Consolidated Statement of Financial Position (under IAS 12).

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Executive Officer of the Company.

Client assets and client monies

IFAL client assets and client monies are not recognised in the Parent and Consolidated Statements of Financial Position as they are owned by the clients of IFAL.

Lease assets and lease liabilities

Right-of-use assets

The Group recognises right-of-use assets on the date the leased asset is made available for use by the Group. These assets relate to rental leases for the office of the Group, which have varying terms clauses and renewal rights. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date.

Depreciation is applied in accordance with IAS 16 Property, Plant and Equipment. Right-of-use assets are depreciated over the lease term. See notes 13 and 14.

Lease liabilities

The Group measures lease liabilities in line with IFRS 16 on the Consolidated Statement of Financial Position as the present value of all future lease payments, discounted using an incremental borrowing rate at the date of commencement. After the commencement date, the amount of lease liabilities is increased to reflect the addition of interest and reduced for the lease payments made. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. See note 25.

Short-term leases

The Group defines short-term leases as those with a lease term of 12 months or less and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances from instant access and notice accounts, call deposits, and other short-term deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

Cash and cash equivalents held for the benefit of the policyholders are held to cover the liabilities for unit-linked investment contracts. These amounts are 100% matched to corresponding liabilities.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Group classifies its financial instruments in the following categories, based on the business model in which the assets are managed and their cash flow characteristics:

(i) Financial assets and liabilities at fair value through profit or loss

This category includes financial assets and liabilities acquired principally for the purpose of selling or repurchasing in the short-term, comprising of listed shares and securities.

Financial instruments in this category are recognised on the trade date, and subsequently measured at fair value. Purchases and sales of securities are recognised on the trade date. Transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Comprehensive Income within "cost of sales" for corporate assets and "policyholder investment returns" for policyholder assets in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realised or paid beyond 12 months of the Consolidated Statement of Financial Position date, which are classified as long term.

(ii) Financial assets at amortised cost

These assets comprised of accrued fees, trade and other receivables, investments in gilts and cash and cash equivalents. These are included in current assets due to their short-term nature, except for the loan which is included in non-current assets.

Financial assets are measured at amortised cost when they are held within the business model whose objective is to hold assets to collect contractual cash flows and their contractual cash flows represent solely payments of principal and interest.

The carrying value of assets held at amortised cost are adjusted for impairment arising from expected credit losses (ECLs).

(iii) Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise trade and other payables and loans payable. These are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities due to their short-term nature. The loan is split between current and non-current liabilities, based on the repayment terms.

1. Basis of preparation and material accounting policies continued

b) Material accounting policies continued

Financial instruments continued

(iii) Financial liabilities at amortised cost continued
Impairment of financial assets
ECLS are required to be measured through a loss allowance at an amount equal to:

- the 12-month ECLs (ECLs from possible default events within 12 months after the reporting date); or
- full lifetime ECLs (ECLs from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime ECLs is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables, where the simplified approach is applied to assets that do not contain a significant financing component.

For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECLs.

Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the ECLs decrease.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The ILUK policyholder reserves, which are part of the provisions balance, arises from tax reserve charges collected from life insurance policyholders, which are held to cover possible future tax liabilities. If no tax liability arises the charges are refunded to policyholders, where possible. As these liabilities are of uncertain timing or amounts, they are recognised as provisions on the Consolidated Statement of Financial Position.

Balances due to HMRC are considered under IAS 12 Income Taxes, whereas balances due to policyholders are considered under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Share-based payments

Equity-settled share-based payment awards granted to employees are measured at fair value at the date of grant. The awards are recognised as an expense, with a corresponding increase in equity, spread over the vesting period of the awards, which accords with the period for which related services are provided.

The total amount expensed is determined by reference to the fair value of the awards as follows:

(i) SIP shares
The fair value is the market price on the grant date. There are no vesting conditions, as the employees receive the shares immediately upon grant.

(ii) Deferred bonus Share Option Plan
The fair value of share options is determined by applying a valuation technique, usually an option pricing model, such as Black Scholes. This takes into account factors such as the exercise price, the share price, volatility, interest rates, and dividends.

At each reporting date, the estimate of the number of share options expected to vest based on the non-market vesting conditions is assessed. Any change to original estimates is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to the share-based payment reserve in the Consolidated Statement of Financial Position.

2. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

ILUK tax provision (Group)

The assessment to recognise the tax provision comes from an evaluation of the likelihood of a constructive or legal obligation and whether that obligation can be estimated reliably. The provision required has been calculated based on an estimation of tax payable to HMRC and refunds payable back to policyholders. While the estimates are not considered to be significant, as they are based on reliable data, the decision to treat the full balance of the reserves as a provision on the statement of financial position is considered a significant judgement.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Goodwill (Group) and investments in subsidiaries (IHP company)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years, and extrapolated beyond that based on the long-term growth rate. The recoverable amount is sensitive to the discount rate and long term growth rate used in the DCF model as well as the expected future cash inflows and outflows. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in notes 12 and 15.

Notes to the financial statements continued

For the year ended 30 September 2024

3. Financial instruments

(i) Principal financial instruments

The principal financial instruments, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Accrued fees
- Investments – gilts
- Investments – listed shares and securities
- Trade and other payables
- Loans receivable
- Policyholder balances of investments and cash
- Liabilities for linked investments contracts
- Cash and cash equivalents

(ii) Financial instruments measured at fair value and amortised cost

Financial assets and liabilities have been classified into categories that determine their basis of measurement. For items measured at fair value, their changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

The following tables show the carrying values of assets and liabilities for each of these categories for the Group:

Financial assets:

	Fair value through profit or loss		Amortised cost	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash and cash equivalents	**–**	–	**244.1**	177.9
Cash held for the benefit of policyholders	**–**	–	**1,622.8**	1,419.2
Investments – listed shares and securities	**0.1**	0.1	**–**	–
Investments – gilts	**–**	–	**2.5**	22.3
Loans receivable	**–**	–	**6.5**	6.3
Accrued income	**–**	–	**14.2**	12.5
Trade and other receivables	**–**	–	**2.9**	3.2
Investments held for the policyholders	**27,237.8**	23,021.7	**–**	–
Total financial assets	**27,237.9**	23,021.8	**1,893.0**	1,641.4

Assets which are not financial instruments	**2024 £m**	2023 £m
Prepayments	**4.7**	4.7
Current tax asset	**1.4**	14.3
Trade and other receivables – repayment interest due from HMRC	**–**	0.4
	6.1	19.4

Financial liabilities:

	Fair value through profit or loss		Amortised cost	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade payables	**–**	–	**1.1**	0.7
Lease liabilities	**–**	–	**2.9**	1.1
Other payables	**–**	–	**7.3**	5.9
Liabilities for linked investments contracts	**27,237.8**	23,021.7	**1,622.8**	1,419.2
Total financial liabilities	**27,237.8**	23,021.7	**1,634.1**	1,426.9

Liabilities which are not financial instruments	**2024 £m**	2023 £m
Accruals and deferred income	**8.8**	7.8
PAYE and other taxation	**2.1**	2.6
Other payables – due to HMRC	**0.9**	0.9
Deferred consideration	**1.5**	1.6
	13.3	12.9

3. Financial instruments continued

(ii) Financial instruments measured at fair value and amortised cost continued

The following tables show the carrying values of assets and liabilities for each of these categories for the Company:

Financial assets:

	Fair value through profit or loss		Amortised cost	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash and cash equivalents	**–**	–	**27.8**	26.0
Trade and other receivables	**–**	–	**0.1**	0.1
Loans receivable	**–**	–	**6.5**	6.3
Total financial assets	**–**	–	**34.4**	32.4

Financial liabilities:

	Fair value through profit or loss		Amortised cost	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Other payables	**–**	–	**0.6**	0.4
Loans payable	**–**	–	**6.0**	7.0
Due to Group undertakings	**–**	–	**0.2**	–
Total financial liabilities	**–**	–	**6.8**	7.4

Liabilities which are not financial instruments	**2024 £m**	2023 £m
Accruals and deferred income	**0.7**	0.4
PAYE and other taxation	**–**	0.1
Deferred consideration	**1.5**	1.6
	2.2	2.1

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, cash held for policyholders, accrued fees, investments held in gilts, loans, trade and other receivables, trade and other payables, and liabilities for linked investments contracts. Due to their short-term nature and/or ECLs recognised, the carrying value of these financial instruments approximates their fair value.

(iv) Financial instruments measured at fair value – fair value hierarchy (FVH)

The table below classifies financial instruments that are recognised on the Consolidated Statement of Financial Position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements.

The levels of hierarchy are disclosed below.

- Level 1: quoted prices (unadjusted) in active markets for identical instruments;
- Level 2: instruments which are not actively traded but provide regular observable prices; and
- Level 3: inputs that are based on Level 1 or Level 2 data, but for which the last known price is over a year old (unobservable inputs).

The following table shows the Group's financial instruments measured at fair value and split into the three levels:

2024	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Assets				
Term deposits	**221.3**	**–**	**–**	**221.3**
Investments and securities	**944.3**	**137.5**	**0.4**	**1,082.2**
Bonds and other fixed-income securities	**26.1**	**0.3**	**–**	**26.4**
Holdings in collective investment schemes	**25,802.0**	**104.6**	**1.3**	**25,907.9**
Investments held for the benefit of policyholders	**26,993.7**	**242.4**	**1.7**	**27,237.8**
Investments – listed shares and securities	**0.1**	**–**	**–**	**0.1**
Total	**26,993.8**	**242.4**	**1.7**	**27,237.9**
Liabilities				
Liabilities for linked investments contracts	**26,993.7**	**242.4**	**1.7**	**27,237.8**
Total	**26,993.7**	**242.4**	**1.7**	**27,237.8**

Notes to the financial statements continued

For the year ended 30 September 2024

3. Financial instruments continued

(iv) Financial instruments measured at fair value – fair value hierarchy (FVH) continued

2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Term deposits	182.0	–	–	182.0
Investments and securities	740.3	181.9	0.5	922.7
Bonds and other fixed-income securities	16.5	1.0	–	17.5
Holdings in collective investment schemes	21,754.5	143.3	1.7	21,899.5
Investments held for the benefit of policyholders	22,693.3	326.2	2.2	23,021.7
Investments – listed shares and securities	0.1	–	–	–
Total	22,693.4	326.2	2.2	23,021.8
Liabilities				
Liabilities for linked investments contracts	22,693.3	326.2	2.2	23,021.7
Total	22,693.3	326.2	2.2	23,021.7

Level 1 valuation methodology

Financial instruments included in Level 1 are measured at fair value using quoted mid prices that are available at the reporting date and are traded in active markets. These are mainly open-ended investment companies (OEICs), unit trusts, investment trusts and exchange traded funds.

The price is sourced from our third party provider, which sources this directly from the stock exchange or obtains the price directly from the fund manager.

Level 2 valuation methodology

Financial instruments included in Level 2 are measured at fair value using observable mid prices traded in markets that have been assessed as not active but which provide regular observable prices. These are mainly structured products and OEICs.

The price is sourced from the structured product provider or from our third party provider, which obtains the price directly from the fund manager.

Level 3 valuation methodology

Financial instruments included in Level 3 are measured at fair value using the last known price and for which the price is over a year old. These are mainly OEICs and unit trusts. These instruments have unobservable inputs as the current observable market information is no longer available. Where these instruments arise management will value them based on the last known observable market price or other relevant information.

The prices are sourced as noted in Level 1 and Level 2 above.

For the purposes of identifying Level 3 instruments, unobservable inputs means that current observable market information is no longer available. Where these instruments arise management will value them based on the last known observable market price or other relevant information. No other valuation techniques are applied.

Level 3 sensitivity to changes in unobservable measurements

For financial instruments assessed as Level 3, based on its review of the prices used, the Group believes that any change to the unobservable inputs used to measure fair value would not result in a significantly higher or lower fair value measurement at year end, and therefore would not have a material impact on its reported results.

Review of prices

As part of its pricing process, the Group regularly reviews whether each instrument can be valued using a quoted price and if it trades on an active market, based on available market data and the specific circumstances of each market and instrument.

The Group regularly assesses instruments to ensure they are categorised correctly, and FVH levels adjusted accordingly. The Group monitors situations that may impact liquidity such as suspensions and liquidations while also actively collecting observable market prices from relevant exchanges and asset managers. Should an instrument price become observable following the resumption of trading the FVH level will be updated to reflect this.

Changes to valuation methodology

There have been no changes in valuation methodology during the year under review.

Transfers between Levels

The Group's policy is to assess each financial instrument it holds at the current financial year end, based on the last known price and market information, and assign it to a Level.

The Group recognises transfers between Levels of the FVH at the end of the reporting period in which the changes have occurred. Changes occur due to the availability (or lack thereof) of quoted prices and whether a market is now active or not.

Transfers between Levels between 1 October 2023 and 30 September 2024 are presented in the table below at their valuation at 30 September 2024:

Transfers from	Transfers to	**2024 £m**	2023 £m
Level 1	Level 2	**2.8**	33.2
Level 2	Level 1	**58.3**	20.9

The reconciliation between opening and closing balances of Level 3 assets are presented in the table below:

	2024 £m	2023 £m
Opening balance	**2.2**	1.9
Unrealised gains/(losses) in the year ended 30 September 2024	**0.1**	(0.1)
Transfers in to Level 3 at 30 September 2024 valuation	**0.3**	0.4
Transfers out of Level 3 at 30 September 2024 valuation	**(0.9)**	–
Closing balance	**1.7**	2.2

Any resultant gains or losses on financial assets held for the benefit of policyholders are offset by a reciprocal movement in the linked liability.

3. Financial instruments continued

(v) Capital maintenance

The regulated companies in the Group are subject to capital requirements imposed by the relevant regulators as detailed below:

Legal entity	Regulatory regime
IFAL	IFPR
ILUK	Solvency II
ILInt	Isle of Man risk-based capital regime

Group capital requirements for 2024 are driven by the regulated entities, whose capital resources and requirements detailed below:

	IFAL 30 September		ILUK 30 September		ILInt 30 September	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Capital resource	**74.8**	44.4	**313.1**	269.2	**49.0**	46.6
Capital requirement	**60.4**	33.3	**229.5**	215.8	**26.4**	27.1
Coverage ratio	**124%**	133%	**136%**	125%	**186%**	172%

Following the FCA's periodic ICARA review process, the regulator imposed additional capital requirements on IFAL on 27 March 2024 which resulted in a capital deficit until it was remediated in April 2024, within the timeframes required by the FCA. The Group has otherwise complied with the requirements set by the regulators during the year. The Group's policy for managing capital is to ensure each regulated entity maintains capital well above the minimum requirement. Further information is detailed in the Risk Management section of this report on pages 43 and 44 and in the Financial Review on pages 38 to 42.

4. Risk and risk management

This note supplements the details provided in the Risk Management section of this report on pages 43 and 44.

Risk assessment

The board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's risk management function.

Risk assessment is the determination of quantitative values and/or qualitative judgements of risk related to a concrete situation and a recognised threat. Quantitative risk assessment requires calculations of two components of risk, the magnitude of the potential impact, and the likelihood that the risk materialises. Qualitative aspects of risk, despite being more difficult to express quantitatively, are also taken into account in order to fully evaluate the impact of the risk on the organisation.

(1) Market risk

Market risk is the risk of loss arising either directly or indirectly from fluctuations in the level and in the volatility of market prices of assets, liabilities and other financial instruments.

(a) Price risk

Market price risk from reduced income

The Company's dividend income from its regulated subsidiaries, IFAL, ILUK and ILInt, is exposed to market risk. The Group's main source of income is derived from annual charges, which are linked to the value of the clients' portfolios, which are in turn determined by the market prices of the underlying assets. The Group's revenue is therefore affected by the value of assets on the platform, and consequently it has exposure to equity market levels and economic conditions.

The Group mitigates the second order market price risk by applying fixed charges per tax wrapper in addition to income derived from the charges based on clients' linked portfolio values. These are recorded in note 5 as wrapper charges and annual charges respectively. This approach of fixed and variable charging offers an element of diversification to its income stream. The risk of stock market volatility, and the impact on revenue, is also mitigated through a wide asset offering which ensures the Group is not wholly correlated with one market, and which enables clients to switch assets, including into cash on the platform, in times of uncertainty.

Sensitivity testing has been performed to assess the impact of market movements on the Group's profit after tax and equity for the year. The sensitivity is applied as an instantaneous shock at the start of the year and shows the impact of a 10% change in values across all assets held on the platform.

	Impact on profit and equity for the year	
	2024 £m	2023 £m
10% increase in asset values	**8.7**	8.7
10% decrease in asset values	**(8.7)**	(8.7)

Market risk from direct asset holdings

The Group and the Company have limited exposure to primary market risk as capital is invested in high-quality, highly-liquid, short-dated investments.

Market risk from unit-linked assets

The Group and the Company have limited exposure to primary market risk from the value of unit-linked assets as fluctuations are borne by the policyholders.

Notes to the financial statements continued

For the year ended 30 September 2024

4. Risk and risk management continued

Risk assessment continued

(1) Market risk continued

(b) Interest rate risk

The Group receives interest on its cash and cash equivalents of £244.1 million (2023: 177.9 million), on its loans of £6.5 million (2023: £6.3 million) and on financial investments of £2.6 million (2023: £22.4 million). The Group mitigates interest rate risk by diversifying its investments into UK Government gilts, which have a fixed rate of interest.

Sensitivity testing has been performed to assess the impact of a 1% change in interest rates. This would be expected to increase/decrease interest received on cash and cash equivalents by £1.7 million (2023: £1.7 million) and on loans by £0.1 million (2023: £0.1 million), which would increase/decrease profit after tax and equity by £1.4 million (2023: £1.4 million).

(c) Currency risk

The Group is not directly exposed to significant currency risk; however, it is exposed to currency risk which arises on the platform software maintenance and support fees charged by IAD Pty, which are charged in Australian dollars. The total amount of software maintenance and support fees in FY24 amounted to £8.3 million (FY23: £7.2 million).

Sensitivity testing has been performed to assess the impact of a 10% change in the GBP to AUD exchange rate. This would be expected to cause an increase/decrease of £0.8 million (2023: £0.7 million) on the software maintenance and support fees.

The table below shows a breakdown of the material foreign currency exposures for the unit-linked policies within the Group:

Currency	2024 £m	2024 %	2023 £m	2023 %
GBP	**28,678.4**	**99.4**	24,279.2	99.3
USD	**147.0**	**0.5**	133.4	0.5
EUR	**21.9**	**0.1**	15.9	0.1
Others	**13.3**	**–**	12.4	0.1
Total	**28,860.6**	**100.0**	24,440.9	100.0

99.4% of investments and cash held for the benefit of policyholders are denominated in GBP, its base currency. Remaining currency holdings greater than 0.1% of the total are shown separately in the table. However, it is recognised that the majority of investments held for the benefit of policyholders are in collective investment schemes and some of their underlying assets are denominated in currencies other than GBP, which increases the FUD currency risk exposure. A significant rise or fall in sterling exchange rates would not have a significant first order impact on the Group's results since any adverse or favourable movement in policyholder assets is entirely offset by a corresponding movement in the linked liability.

(2) Credit (counterparty default) risk

Credit risk is the risk that the Group or Company is exposed to a loss if another party fails to meet its financial obligations. For the Company, the exposure to counterparty default risk arises primarily from loans directly held by the Company, while for the Group this risk also arises from fees owed by clients.

Assets held at amortised cost

(a) Accrued income

This comprises fees owed by clients. These are held at amortised cost, less ECLs.

Under IFRS 9, a forward-looking approach is required to assess ECLs, so that losses are recognised before the occurrence of any credit event. The Group estimates that pending fees three months or more past due are unlikely to be collected and are written off. Based on management's experience, pending fees one or two months past due are generally expected to be collected, but consideration is also given to potential losses on these fees. Historical loss rates have been used to estimate expected future losses, while consideration is also given to underlying economic conditions, in order to ensure that expected losses are recognised on a forward-looking basis. In FY24 the ECLs in relation to this were immaterial.

Details of the ECLs recognised in relation to accrued income can be seen in note 22.

(b) Loans

Loans subject to the 12-month ECL are £6.5 million (2023: £6.3 million). While there remains a level of economic uncertainty in the current climate, leading to potentially higher credit risk, there is not considered to be a significant increase in credit risk, as all of the loans are currently performing to schedule, and there are no significant concerns regarding the borrowers. There is therefore no need to move from the 12-month ECL model to the lifetime ECL model. Expected losses are recognised on a forward-looking basis, which has led to the additional recognition of an immaterial amount of ECLs.

In addition to the above, the Company has committed a further £5.0 million (2023: £5.0 million) in undrawn loans.

Details of the ECLs recognised in relation to loans can be seen in note 16. No ECLs have been recognised on the undrawn loan commitments, as any ECLs would not be considered to be material.

(c)Cash and equivalents

The Group has a low risk appetite for credit risk, which is mainly limited to exposures to credit institutions for its bank deposits. A range of major regulated UK high street banks is used. A rigorous annual due diligence exercise is undertaken to assess the financial strength of these banks, with those used having a minimum credit quality step of 3, which is a minimum Fitch rating of BBB-.

In order to actively manage the credit and concentration risks, the board approved risk appetite limits for the regulated entities of the amount of corporate and client cash that can be deposited with any one bank, which is represented by a set percentage of the respective bank's total customer deposits. Monthly monitoring of these positions, along with movements in Fitch ratings, is undertaken, with reports presented to the directors for review. Collectively, these measures ensure that the Group diligently manages the exposures and provides the mitigation scope to be able to manage credit and concentration exposures on behalf of itself and its customers.

Counterparty default risk exposure to loans

The Company has loans of £6.5 million (2023: £6.3 million). There are no other loans held by the Group.

Counterparty default risk exposure to Group companies

As well as inconvenience and operational issues arising from the failure of the other Group companies, there is also a risk of a loss of assets. The Company is due £109k (2023: £81k) from other Group companies.

4. Risk and risk management continued

Risk assessment continued

(2) Credit (counterparty default) risk continued

Counterparty default risk exposure to other receivables

The Company has no other receivables arising, due to the nature of its business, and the structure of the Group.

Across the Group, there is exposure to counterparty default risk arising primarily from:

- investments held directly by the Group;
- exposure to clients; and
- exposure to other receivables.

The other exposures to counterparty default risk include a credit default event which affects assets held on behalf of clients and occurs at one or more of the following entities:

- a bank where cash is held on behalf of clients;
- a custodian where the assets are held on behalf of clients; and
- Transact Nominees Limited, which is a Group entity and the legal owner of the assets held on behalf of clients.

There is no first order impact on the Group from one of the events in the preceding paragraph. This is because any credit default event in respect of these holdings will be borne by clients, both in terms of loss of value and loss of liquidity. Terms and conditions have been reviewed by external lawyers to ensure that these have been drafted appropriately. However, there is a second order impact whereby future revenues for the Group are reduced in the event of a credit default which affects the value of FUD.

There are robust controls in place to mitigate credit risk, for example, holding corporate and client cash across a range of banks in order to minimise the risk of a single point of counterparty default failure. Additionally, maximum counterparty limits and minimum credit quality steps are set for banks.

Cash and cash equivalents and investments are classed as stage 1 on the ECL model (meaning that they are not credit impaired on initial recognition and have not experienced a significant increase in credit risk since initial recognition) with no material ECL provision held.

Assets and funds held on behalf of clients

There is no significant risk exposure to any one UK clearing bank.

Counterparty default risk exposure to clients

The Group is due £14.2 million (2023: £12.5 million) from fee income owed by clients.

Impact of credit risk on fair value

Due to the limited direct exposure that the Group and the Company have to credit risk, credit risk does not have a material impact on the fair value movement of financial instruments for the year under review. The fair value movements on these instruments are predominantly due to changes in market conditions.

(3) Liquidity risk

Liquidity risk is the risk that funds are not accessible such that the Company, although solvent, does not have sufficient liquid financial resources to meet obligations as they fall due, or can secure such resources only at excessive cost.

As a holding company, the Company's main liquidity risk is related to payment of shareholder dividends and operating expenses it may incur. Additionally, as noted in the loans section above, the Company has made short-term commitments, in the form of a capped facility arrangement to Vertus Capital SPV1 Limited ('Vertus') (as one of Vertus' sources of funding), to assist Vertus in developing its business, which is to provide tailored niche debt facilities to adviser firms to fund acquisitions, management buyouts and other similar transactions.

Across the Group, the following key drivers of liquidity risk have been identified as:

- failure of one or more of the banks that holds funds for the Group;
- bank system failure which prevents access to Group funds;
- clients holding insufficient cash to settle fees when they become due; and
- expenses rising faster than anticipated or from one-off "shocks" such as fines or client compensation.

The Group's liquidity risk arises from a lack of readily realisable cash to meet debts as they become due. This takes a number of forms – clients' liabilities coming due or other liabilities (e.g. expenses) coming due.

The first of these, clients' liabilities, is primarily covered through the terms and conditions with clients taking their own liquidity risk, if their assets cannot be immediately surrendered for cash.

Payment of other liabilities depends on the Group having sufficient liquidity at all times to meet obligations as they fall due. This requires access to liquid funds, i.e. working banks, and it also requires that the Group's main source of liquidity, charges on its clients' assets, can also be converted into cash.

The payment of loan obligations is covered by the upward dividends from subsidiary entities which were assessed against the financial plans and capital projections of the regulated entities to ensure the level of affordability of the future dividends.

The Group has set out two key liquidity requirements: first, to ensure that clients maintain a percentage of liquidity in their portfolios at all times in order to have sufficient funds to pay charges relating to their wrappers; and second, to maintain access to corporate cash through a spread of cash holdings in bank accounts to reduce the exposure to any one bank.

There are robust controls in place to mitigate liquidity risk, for example, through regular monitoring of expenditure, closely managing expenses in line with the business plan, and, in the case of the Vertus facility, capping the value of loans. Additionally, the Group holds corporate and client cash across a range of banks in order to mitigate the liquidity impact of a counterparty default failure.

Maturity schedule

The following tables show an analysis of the financial assets and financial liabilities by remaining expected maturities as at 30 September 2024 and 30 September 2023. All financial liabilities are undiscounted.

In addition to the financial assets and financial liabilities shown in the tables below, the Company committed a further £5.0 million (2023: £5.0 million) in undrawn loans. These are available to be drawn down immediately.

Notes to the financial statements continued

For the year ended 30 September 2024

4. Risk and risk management continued

Risk assessment continued

(3) Liquidity risk continued

Financial assets:

2024	Up to 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Investments held for the policyholders	**27,237.8**	**–**	**–**	**–**	**27,237.8**
Investments	**–**	**–**	**2.6**	**–**	**2.6**
Accrued income	**14.2**	**–**	**–**	**–**	**14.2**
Trade and other receivables	**2.9**	**–**	**–**	**–**	**2.9**
Loans	**–**	**–**	**6.5**	**–**	**6.5**
Cash and cash equivalents	**244.1**	**–**	**–**	**–**	**244.1**
Cash held for the benefit of policyholders	**1,622.8**	**–**	**–**	**–**	**1,622.8**
Total	**29,121.8**	**–**	**9.1**	**–**	**29,130.9**

2023	Up to 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Investments held for the policyholders	23,021.7	–	–	–	23,021.7
Investments	–	–	22.4	–	22.4
Accrued income	12.5	–	–	–	12.5
Trade and other receivables	3.2	–	–	–	3.2
Loans	–	–	6.3	–	6.3
Cash and cash equivalents	177.9	–	–	–	177.9
Cash held for the benefit of policyholders	1,419.2	–	–	–	1,419.2
Total	24,634.5	–	28.7	–	24,663.2

Financial liabilities:

2024	Up to 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Liabilities for linked investment contracts	**28,860.6**	**–**	**–**	**–**	**28,860.6**
Trade and other payables	**8.5**	**–**	**–**	**–**	**8.5**
Lease liabilities	**1.2**	**1.4**	**0.5**	**–**	**3.1**
Total	**28,870.3**	**1.4**	**0.5**	**–**	**28,872.2**

2023	Up to 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Liabilities for linked investment contracts	24,440.9	–	–	–	24,440.9
Trade and other payables	6.6	–	–	–	6.6
Lease liabilities	0.1	0.3	0.9	–	1.3
Total	24,447.6	0.3	0.9	–	24,448.8

(4) Outflow risk

Outflows occur when funds are withdrawn from the platform for any reason. Outflows typically occur where clients' circumstances and requirements change. However, these outflows can also be triggered by operational failure, changes to the competitive and industry landscape or external events such as regulatory or economic changes.

Outflow risk is mitigated by focusing on providing exceptionally high levels of service. Outflow rates are closely monitored and unexpected experience is investigated. Despite the current challenging and uncertain economic and geopolitical environment, outflow rates remain stable.

5. Disaggregation of revenue

The Group has the following categories of revenue:

- Annual charge – based on a fixed percentage applied to the value of the client's portfolio each month.
- Wrapper charge– based on a fixed quarterly charge per wrapper.
- Other income – dealing charges are charged based on a fixed fee for each type of transaction. Buy commissions were discontinued on 1 March 2024.
- Adviser back-office technology – licence income based on a fixed monthly charge per number of users. Consultancy income is charged based on the services provided.

	For the financial year ended 30 September	
	2024 £m	2023 £m
Annual charge	**126.1**	116.1
Wrapper charge	**12.8**	12.3
Other income	**1.1**	1.7
Adviser back-office technology	**4.9**	4.8
Total revenue	**144.9**	**134.9**

6. Segmental reporting

The revenue and PBT are attributable to activities carried out in the UK and the Isle of Man.

The Group has three classes of business, which have been organised primarily based on the products they offer, as detailed below:

- **Investment administration services** – this relates to services performed by IFAL, which is the provider of the Transact wrap service. It is the provider of the general investment account (GIA), is a self-invested personal pension (SIPP) operator, an ISA manager and the custodian for all assets held on the platform (except for those held by third party custodians).
- **Insurance and life assurance business** – this relates to ILUK and ILInt, insurance companies which provide the Transact Personal Pension, Executive Pension, Section 32 Buyout Bond, Transact Onshore and Offshore Bonds, and qualifying savings plan on the Transact platform.
- **Adviser back-office technology** – this relates to T4A, provider of financial planning technology to adviser and wealth management firms via the CURO adviser support system.

Other Group entities relates to the rest of the Group, and provide services to support the Group's core operating segments.

Analysis by class of business is given below.

Consolidated Statement of Comprehensive Income – segmental information for the year ended 30 September 2024:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £m
Revenue						
Annual charge	**67.8**	**58.3**	**–**	**–**	**–**	**126.1**
Wrapper charge	**3.1**	**9.7**	**–**	**–**	**–**	**12.8**
Adviser back-office technology	**–**	**–**	**4.9**	**–**	**–**	**4.9**
Other income	**0.8**	**0.3**	**–**	**84.5**	**(84.5)**	**1.1**
Total revenue	**71.7**	**68.3**	**4.9**	**84.5**	**(84.5)**	**144.9**
Cost of sales	**(1.3)**	**(0.9)**	**(0.8)**	**–**	**–**	**(3.0)**
Gross profit/(loss)	**70.4**	**67.4**	**4.1**	**84.5**	**(84.5)**	**141.9**
Administrative expenses	**(44.0)**	**(32.8)**	**(5.1)**	**(87.1)**	**84.0**	**(85.0)**
Impairment losses	**0.1**	**–**	**–**	**(4.9)**	**4.9**	**0.1**
Operating profit/(loss)	**26.5**	**34.6**	**(1.0)**	**(7.5)**	**(4.4)**	**57.0**
Interest expense	**–**	**–**	**–**	**(0.8)**	**0.6**	**(0.2)**
Interest income	**2.8**	**6.7**	**–**	**1.8**	**(0.6)**	**10.7**
Net policyholder returns						
Net income attributable to policyholder returns	**–**	**40.2**	**–**	**–**	**–**	**40.2**
Change in investment contract liabilities	**–**	**(3,051.7)**	**–**	**–**	**–**	**(3,051.7)**
Fee and commission expenses	**–**	**(232.7)**	**–**	**–**	**–**	**(232.7)**
Policyholder investment returns	**–**	**3,284.4**	**–**	**–**	**–**	**3,284.4**
Net policyholder returns	**–**	**40.2**	**–**	**–**	**–**	**40.2**

Notes to the financial statements continued

For the year ended 30 September 2024

6. Segmental reporting continued

Consolidated Statement of Comprehensive Income – segmental information for the year ended 30 September 2024 continued

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £m
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	**29.3**	**81.5**	**(1.0)**	**(6.5)**	**4.4**	**107.7**
Policyholder tax charge	**–**	**(38.8)**	**–**	**–**	**–**	**(38.8)**
Profit/(loss) on ordinary activities before taxation attributable to shareholders	**29.3**	**42.7**	**(1.0)**	**(6.5)**	**4.4**	**68.9**
Total tax (charge)/benefit attributable to shareholder and policyholder returns	**(6.1)**	**(48.5)**	**0.2**	**(1.4)**	**0.2**	**(55.6)**
Less: tax attributable to policyholder returns	**–**	**38.8**	**–**	**–**	**–**	**38.8**
Shareholder tax (charge)/benefit on profit on ordinary activities	**(6.1)**	**(9.7)**	**0.2**	**(1.4)**	**0.2**	**(16.8)**
Profit/(loss) for the period	**23.2**	**33.0**	**(0.8)**	**(7.9)**	**4.6**	**52.1**

Consolidated Statement of Comprehensive Income – segmental information for the year ended 30 September 2023:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £m
Revenue						
Annual charge	63.1	53.0	–	–	–	116.1
Wrapper charge	3.0	9.3	–	–	–	12.3
Adviser back-office technology	–	–	4.8	–	–	4.8
Other income	1.2	0.5	–	76.0	(76.0)	1.7
Total revenue	67.3	62.8	4.8	76.0	(76.0)	134.9
Cost of sales	(2.1)	(0.6)	(0.7)	(0.5)	–	(3.9)
Gross profit/(loss)	65.2	62.2	4.1	75.5	(76.0)	131.0
Administrative expenses	(42.2)	(30.2)	(5.5)	(72.3)	75.6	(74.6)
Impairment losses	–	–	–	(0.1)	–	(0.1)
Operating profit/(loss)	23.0	32.0	(1.4)	3.1	(0.4)	56.3
Interest expense	–	–	–	(0.7)	0.6	(0.1)
Interest income	1.2	4.4	–	1.4	(0.6)	6.4
Net policyholder returns						
Net income attributable to policyholder returns	–	12.1	–	–	–	12.1
Change in investment contract liabilities	–	(1,056.0)	–	–	–	(1,056.0)
Fee and commission expenses	–	(193.3)	–	–	–	(193.3)
Policyholder investment returns	–	1,249.3	–	–	–	1,249.3
Net policyholder returns	–	12.1	–	–	–	12.1
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	24.2	48.5	(1.4)	3.8	(0.4)	74.7
Policyholder tax charge	–	(12.1)	–	–	–	(12.1)
Profit/(loss) on ordinary activities before taxation attributable to shareholders	24.2	36.4	(1.4)	3.8	(0.4)	62.6
Total tax (charge)/benefit attributable to shareholder and policyholder returns	(5.0)	(18.7)	0.5	(1.7)	0.1	(24.8)
Less: tax attributable to policyholder returns	–	12.1	–	–	–	12.1
Shareholder tax (charge)/benefit on profit on ordinary activities	(5.0)	(6.6)	0.5	(1.7)	0.1	(12.7)
Profit/(loss) for the period	19.2	29.8	(0.9)	2.1	(0.3)	49.9

6. Segmental reporting continued

Consolidated Statement of Financial Position – segmental information for the year ended 30 September 2024:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Total £m
Assets				
Non-current assets	**11.7**	**19.7**	**1.2**	**32.6**
Current assets	**108.6**	**159.1**	**2.3**	**270.0**
Total assets	**120.3**	**178.8**	**3.5**	**302.6**
Liabilities				
Current liabilities	**10.8**	**35.7**	**1.0**	**36.3**
Non-current liabilities	**0.3**	**45.7**	**0.8**	**58.0**
Total liabilities	**11.1**	**81.4**	**1.8**	**94.3**
Policyholder assets and liabilities				
Cash held for the benefit of policyholder	**—**	**1,622.8**	**—**	**—**
Investments held for the benefit of policyholders	**—**	**27,237.8**	**—**	**—**
Liabilities for linked investment contracts	**—**	**(28,860.6)**	**—**	**—**
Total policyholder assets and liabilities	**—**	**—**	**—**	**—**
Net assets	**109.2**	**97.4**	**1.7**	**208.3**
Non-current asset additions	**0.5**	**0.5**	**—**	**1.0**

Restated Consolidated Statement of Financial Position – segmental information for the year ended 30 September 2023:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Total £m
Assets				
Non-current assets	10.3	19.1	1.1	30.5
Current assets	78.0	154.6	2.8	235.4
Total assets	88.3	173.7	3.9	265.9
Liabilities				
Current liabilities	8.4	18.1	1.0	27.5
Non-current liabilities	0.8	47.5	0.2	48.5
Total liabilities	9.2	65.6	1.2	76.0
Policyholder assets and liabilities				
Cash held for the benefit of policyholder	—	1,419.2	—	—
Investments held for the benefit of policyholders	—	23,021.7	—	—
Liabilities for linked investment contracts	—	(24,440.9)	—	—
Total policyholder assets and liabilities	—	—	—	—
Net assets	79.1	108.1	2.7	189.9
Non-current asset additions	0.3	0.3	0.0	0.6

Notes to the financial statements continued

For the year ended 30 September 2024

6. Segmental reporting continued

Segmental information: Split by geographical location

	2024 £m	2023 £m
Revenue		
United Kingdom	**138.8**	129.4
Isle of Man	**6.1**	5.5
Total	**144.9**	134.9

	2024 £m	2023 £m
Non-current assets		
United Kingdom	**24.9**	23.4
Isle of Man	**0.1**	0.1
Total	**25.0**	23.5

7. Earnings per share

	2024	2023
Profit		
Profit for the year and earnings used in basic and diluted EPS	**£52.1m**	£49.9m
Weighted average number of shares		
Weighted average number of Ordinary Shares	**331.3m**	331.3m
Weighted average numbers of Ordinary Shares held by EBT	**(0.7m)**	(0.5m)
Weighted average number of Ordinary Shares for the purposes of basic EPS	**330.6m**	330.8m
Adjustment for dilutive share option awards	**0.7m**	0.5m
Weighted average number of Ordinary Shares for the purposes of diluted EPS	**331.3m**	331.3m
EPS		
Basic	**15.8p**	15.1p
Diluted	**15.7p**	15.1p

EPS is calculated based on the share capital of IntegraFin Holdings plc and the earnings of the consolidated Group.

Basic EPS is calculated by dividing profit after tax attributable to ordinary equity shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. The weighted average number of shares excludes shares held within the EBT to satisfy the Group's obligations under employee share awards.

Diluted EPS is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all potentially dilutive Ordinary Shares.

8. Expenses by nature

The following expenses are included within administrative expenses:

Group

	2024 £m	2023 £m
Depreciation	**1.8**	2.1
Amortisation	**0.4**	0.4
Wages and employee benefits expense	**57.8**	52.8
Other staff costs	**0.7**	1.1
Auditor's remuneration:		
– auditing of the financial statements of the Company pursuant to the legislation	**0.2**	0.2
– auditing of the financial statements of subsidiaries	**0.6**	0.6
– other assurance services	**0.4**	0.4
Other professional fees	**6.2**	4.8
Regulatory fees	**3.2**	3.9
Non-underlying expenses		
– Non-underlying expenses – backdated VAT	**(0.1)**	–
– Non-underlying expenses – interest on backdated VAT	**(0.4)**	–
– Other non-underlying expenses – deferred consideration	**2.1**	2.1
– Other non-underlying expenses – contingent consideration	**–**	(1.7)
– Other non-underlying expenses – office move	**0.1**	–
Short-term lease payments:		
– Land and buildings	**1.1**	0.6
Other occupancy costs	**2.0**	2.2
Irrecoverable VAT	**4.5**	3.6
Other costs	**4.4**	3.1
Other income – tax relief due to shareholders	**–**	(1.6)
Total administrative expenses	**85.0**	74.6

Wages and employee benefits expense

The average number of staff (including executive directors) employed by the Group during the financial year amounted to:

	2024 No.	2023 No.
IT and Change Delivery	**187**	177
Client Operations	**246**	236
Operations	**83**	81
Sales and Marketing	**38**	40
Group Services	**112**	97
	666	631

We have changed the presentation of this table to provide information that is more relevant to users of the financial statements. This revised structure is likely to continue going forward and prior year comparative information has also been reclassified.

The Company has no employees (2023: nil).

Notes to the financial statements continued

For the year ended 30 September 2024

8. Expenses by nature continued

Wages and employee benefits expense continued

Wages and employee (including executive directors) benefits expenses during the year, included within administrative expenses, were as follows:

	2024 £m	2023 £m
Wages and salaries	46.1	43.9
Social security costs	5.1	4.8
Other pension costs	4.3	2.0
Share-based payment costs	2.3	2.1
	57.8	52.8

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the entity and, as such, only directors are considered to meet this definition.

	2024 £m	2023 £m
Short-term employee benefits	2.3	3.0
Post-employment benefits	0.1	0.2
Share-based payment	0.3	0.5
Social security costs	0.4	0.5
Highest paid director:		
Short-term employee benefits	0.6	0.6
Other benefits	0.1	0.2

	2024 No.	2023 No.
Number of directors for whom pension contributions are paid	3	8

Short-term employee benefits comprise salary and cash bonus.

Compensation of key management personnel has fallen compared with FY23. This is due to a reassessment of individuals considered to be key management personnel. Previously this included directors of subsidiary companies, while in FY24 this only includes the IHP board of directors.

9. Interest income

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Interest income on bank deposits	9.1	0.7	5.3	0.5
Interest income on tax repayments	0.1	–	0.4	–
Interest income on loans	0.5	0.5	0.4	0.4
Interest income on financial investments	1.0	–	0.3	–
	10.7	1.2	6.4	0.9

All interest income is calculated using the effective interest rate method, except for interest income on tax repayments.

10. Policyholder investment returns

	2024 £m	2023 £m
Change in fair value of underlying assets	3,005.2	1,024.2
Investment income	279.2	225.1
Total policyholder investment returns	**3,284.4**	**1,249.3**

11. Tax on profit on ordinary activities

The UK estimated weighted average effective tax rate was 25% for the 12-month period ended 30 September 2024 (30 September 2023: 22%), representing the tax rate enacted at the reporting date. For the entities within the Group operating outside of the UK, tax is charged at the relevant rate in each jurisdiction.

Group

a) Analysis of charge in year

The income tax expense comprises:

	2024 £m	2023 £m
Corporation tax		
Current year – corporation tax	**17.0**	12.7
Adjustment in respect of prior years	**0.2**	(0.1)
Total corporation tax	**17.2**	12.6
Deferred tax		
Current year	**(0.4)**	0.1
Total shareholder tax charge for the year	**16.8**	12.7
Policyholder taxation		
UK policyholder tax at 20% (2023: 20%)	**15.7**	–
Deferred tax at 25% (2023: 25%)	**22.8**	11.8
Tax deducted on overseas dividends	**0.3**	0.3
Total policyholder taxation	**38.8**	12.1
Total tax attributable to shareholder and policyholder returns	**55.6**	24.8

b) Factors affecting tax charge for the year

The tax on the Group's PBT differs from the amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2024 £m	2023 £m
Profit on ordinary activities before taxation attributable to shareholders	**68.9**	62.6
Profit on ordinary activities multiplied by effective rate of corporation tax, 25% (2023: 22%)	**17.2**	13.8
Effects of:		
Non-taxable dividends	**(0.1)**	–
Income/(expenses) not taxable/(deductible) for tax purposes multiplied by effective rate of corporation tax	**0.2**	(0.6)
Adjustments in respect of prior years	**0.3**	0.1
Effect of lower tax rate jurisdiction	**(0.8)**	(0.6)
	16.8	12.7
Add policyholder tax	**38.8**	12.1
	55.6	24.8

Company

a) Analysis of charge in year

	2024 £m	2023 £m
Deferred tax charge/(credit) (see note 26)	**–**	–

b) Factors affecting tax charge for the year

	2024 £m	2023 £m
Profit on ordinary activities before tax	**48.4**	31.6
Profit on ordinary activities multiplied by effective rate of corporation tax, 25% (2023: 22%)	**12.1**	7.0
Effects of:		
Non-taxable dividends	**(15.1)**	(7.3)
Income/(expenses) not taxable /(deductible) for tax purposes multiplied by effective rate of corporation tax	**1.7**	–
Group loss relief to ISL	**1.3**	0.3
	–	–

Notes to the financial statements continued

For the year ended 30 September 2024

12. Intangible assets – Group

	Software and IP rights £m	Goodwill £m	Customer relationships £m	Software £m	Brand £m	Total £m
Cost						
At 1 October 2023	12.5	18.3	2.1	2.0	0.3	35.2
At 30 September 2024	**12.5**	**18.3**	**2.1**	**2.0**	**0.3**	**35.2**
Amortisation						
At 1 October 2023	12.5	–	0.4	0.8	0.1	13.8
Charge for the year	–	–	0.1	0.3	–	0.4
At 30 September 2024	**12.5**	**–**	**0.5**	**1.1**	**0.1**	**14.2**
Net Book Value						
At 30 September 2023	–	18.3	1.7	1.2	0.2	21.4
At 30 September 2024	**–**	**18.3**	**1.6**	**0.9**	**0.2**	**20.9**

	Software and IP rights £m	Goodwill £m	Customer relationships £m	Software £m	Brand £m	Total £m
Cost						
At 1 October 2022	12.5	18.3	2.1	2.0	0.3	35.2
At 30 September 2023	12.5	18.3	2.1	2.0	0.3	35.2
Amortisation						
At 1 October 2022	12.5	–	0.3	0.5	0.1	13.4
Charge for the year	–	–	0.1	0.3	–	0.4
At 30 September 2023	12.5	–	0.4	0.8	0.1	13.8
Net Book Value						
At 30 September 2022	–	18.3	1.8	1.5	0.2	21.8
At 30 September 2023	–	18.3	1.7	1.2	0.2	21.4

All intangible assets are externally generated.

Goodwill impairment assessment

In accordance with IFRS, goodwill is not amortised, but is assessed for impairment on an annual basis. The impairment assessment compares the carrying value of goodwill to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The recoverable amount is determined based on value in use calculations using cash flow projections from financial budgets approved by senior management covering a five-year period.

The goodwill relates to the acquisition of IAD Pty in July 2016 and T4A in January 2021.

The carrying amount of the IAD Pty goodwill is allocated to the two CGUs that relate to the Transact platform, as these are benefiting from the IAD Pty acquisition. The carrying amount of the goodwill for T4A is allocated to the CGU that relates to the CURO software as this is the source of revenue for T4A.

IAD Pty

	2024 £m	2023 £m
Investment administration services	**7.2**	7.2
Insurance and life assurance business	**5.7**	5.7
Total	**12.9**	12.9

T4A

	2024 £m	2023 £m
Adviser back-office technology	**5.3**	5.3

12. Intangible assets – Group continued

Goodwill impairment assessment continued

The recoverable amounts of the above CGUs have been determined from value in use calculations based on cash flow projections from management-approved budgets covering a five year period to 30 September 2029. Post the five year business plan, the growth rate used to determine the terminal value of the CGUs was based on the long-term growth rates shown below. The discount rate is assessed on an annual basis and has been calculated using the weighted average cost of capital.

Key assumptions used in the value in use calculations are as follows:

	IAD Pty		T4A	
	2024	2023	**2024**	2023
Discount rate	**13.0%**	13.2%	**14.4%**	14.0%
Period on which detailed forecasts are based	**5 years**	5 years	**5 years**	5 years
Long-term growth rate	**2.0%**	2.0%	**3.0%**	2.0%

Key assumptions used in the underlying cash flow projections are as follows:

IAD Pty

- Equity market levels – this is the key driver of FUD levels and therefore annual charges
- Net inflows – this is the other core component of FUD growth, and demonstrates the ongoing ability of the platform to continue to grow organically

T4A

- Licence user growth – T4A is continuing to develop its CURO offering and build up its client base to support future profitability, and growth in CURO users is key to this
- Expense inflation – as the T4A business grows, so will the cost base, which is being managed to help support the projections of future profitability

The annual impairment tests relating to both acquisitions indicated that no goodwill impairment is required, as the recoverable amount is higher than the carrying value of the CGUs. However, there is only £0.5 million headroom in the T4A assessment. As disclosed in note 2, the analysis indicates that there is a close proximity of the forecast to requiring impairment, and there is significant sensitivity in the projections of ongoing growth of the licence users.

Sensitivity to changes in assumptions

The Group considers that projected cash flows of the investment administration services and insurance and life assurance business CGUs are most sensitive to movements in equity markets, because they have a direct impact on the level of the Group's fee income, while the adviser back-office technology CGU is most sensitive to the number of CURO users, as this forms the basis of its licence income. Additionally, given the close proximity of the T4A assessment to requiring impairment, this calculation is also sensitive in the discount rate.

A sensitivity analysis has been performed, with key assumptions being revised adversely to reflect the potential for future performance being below expected levels. This estimated that any of the following changes to the assumptions would be required for the cash flows to result in a material impairment to goodwill:

IAD Pty

- a fall in equity markets of approximately 40%

T4A

- a reduction in the projected compound annual growth rate of CURO licence users of 2.3% per year
- an increase in the T4A discount rate from 14.4% to 21.0%

Notes to the financial statements continued

For the year ended 30 September 2024

13. Property, plant and equipment – Group

	Leasehold improvements £m	Equipment £m	Fixtures and fittings £m	Motor vehicles £m	Total £m
Cost					
At 1 October 2023	1.8	3.4	0.5	0.1	5.8
Additions	0.1	0.9	–	–	1.0
Disposals	–	(0.2)	(0.1)	–	(0.3)
At 30 September 2024	**1.9**	**4.1**	**0.4**	**0.1**	**6.5**
Depreciation					
At 1 October 2023	1.5	2.9	0.3	–	4.7
Charge in the year	–	0.5	–	–	0.5
Disposals	–	(0.2)	–	–	(0.2)
At 30 September 2024	**1.5**	**3.2**	**0.3**	**–**	**5.0**
Net Book Value					
At 30 September 2023	0.3	0.5	0.2	0.1	1.1
At 30 September 2024	**0.4**	**0.9**	**0.1**	**0.1**	**1.5**
Cost					
At 1 October 2022	1.7	3.7	0.2	–	5.6
Additions	0.1	0.4	0.1	0.1	0.7
Disposals	–	(0.4)	–	–	(0.4)
Reclassification	–	(0.2)	0.2	–	–
Foreign exchange	–	(0.1)	–	–	(0.1)
At 30 September 2023	1.8	3.4	0.5	0.1	5.8
Depreciation					
At 1 October 2022	1.4	2.9	0.1	–	4.4
Charge in the year	0.1	0.7	0.1	–	0.9
Disposals	–	(0.5)	–	–	(0.5)
Reclassification	–	(0.1)	0.1		–
Foreign exchange	–	(0.1)	–	–	(0.1)
At 30 September 2023	1.5	2.9	0.3	–	4.7
Net Book Value					
At 30 September 2022	0.3	0.8	0.1	–	1.2
At 30 September 2023	0.3	0.5	0.2	0.1	1.1

The Company holds no property, plant and equipment.

14. Right-of-use assets – property – Group

	£m
Cost	
At 1 October 2023	1.7
Additions	2.7
At 30 September 2024	**4.4**
Depreciation	
At 1 October 2023	0.7
Charge in the year	1.1
At 30 September 2024	**1.8**
Net Book Value	
At 30 September 2023	1.0
At 30 September 2024	**2.6**
Cost	
At 1 October 2022	6.6
Additions	0.4
Disposals	(5.2)
Foreign exchange	(0.1)
At 30 September 2023	1.7
Depreciation	
At 1 October 2022	4.5
Charge in the year	1.4
Disposals	(5.2)
At 30 September 2023	0.7
Net Book Value	
At 30 September 2022	2.1
At 30 September 2023	1.0

Depreciation is calculated on a straight line basis over the term of the lease.

The original lease on the Group's Clement's Lane office came to an end in June 2023. A new lease was signed in March 2024, and a corresponding right-of-use asset and lease liability recognised. Costs of the lease from July 2023 to March 2024 were recognised directly in the Consolidated Statement of Comprehensive Income as occupancy costs.

15. Investment in subsidiaries

	2024 £m	2023 £m
Carrying value at 1 October	**35.3**	33.3
Investment in subsidiary shares – Integrated Financial Arrangements Ltd	**15.0**	–
Impairment of investment	**(6.3)**	–
Share-based payments	**2.2**	2.0
Carrying value at 30 September	**46.2**	35.3

The increase in subsidiary shares relates to the purchase of £15.0 million worth of new shares issued by IFAL. See note 3. Financial instruments, section (v) Capital maintenance, for further information.

Impairment of investment

As disclosed in note 1, investments in subsidiaries are recognised by the Company at cost. The Company assesses at each reporting date, whether there is an indication that an investment in subsidiaries may be impaired.

The Company's investment in T4A has a carrying value of £13.0 million. While T4A business performance has improved this year, it is still yet to become profitable, and as at 30 September 2024 it had negative net assets of £0.4 million. There is therefore an indication of impairment, which has led to an impairment assessment being performed.

The impairment assessment compares the carrying value of the investment to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The recoverable amount has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to 30 September 2029. Post the five year business plan, the growth rate used to determine the terminal value of the cash generating units was based on the long-term growth rate shown below. The discount rate is assessed on an annual basis and has been calculated using the weighted average cost of capital.

Notes to the financial statements continued

For the year ended 30 September 2024

15. Investment in subsidiaries continued

Impairment of investment continued

Key assumptions used in the value in use calculations are as follows:

	2024	2023
Discount rate	**17.0%**	14.0%
Forecast period	**5 years**	5 years
Long-term growth rate	**3.0%**	2.0%

Key assumptions used in the underlying cash flow projections are as follows:

T4A

- Licence user growth – T4A is continuing to develop its CURO offering and build up its client base to support future profitability, and growth in CURO users is key to this
- Expense inflation – as the T4A business grows, so will the cost base, which is being managed to help support the projections of future profitability

The analysis indicates that the recoverable amount of the investment is £6.7 million. As a result, management has recognised an impairment charge of £6.3 million in the current year against the investment. The impairment charge is recorded within administrative expenses in the Company statement of comprehensive income. As disclosed in note 2, the analysis indicates that there is a close proximity of the forecast to requiring impairment, and there is significant sensitivity in the projections of ongoing growth of the licence users.

Sensitivity to changes in assumptions

As the IHP investment in T4A is impaired, any adverse changes to the assumption noted above i.e. increases to the discount rate or expense assumption, and reductions in the licence user growth or long-term growth rate assumption, would lead to a further impairment.

The Company has investments in the Ordinary Share capital of the following subsidiaries at 30 September 2024:

Name of Company	Holding	% held	Incorporation and significant place of business	Business
Direct holdings				
Integrated Financial Arrangements Ltd	Ordinary Shares	100%	United Kingdom	Investment administration
IntegraFin Services Limited	Ordinary Shares	100%	United Kingdom	Services company
Transact IP Limited	Ordinary Shares	100%	United Kingdom	Software provision and development
Integrated Application Development Pty Ltd	Ordinary Shares	100%	Australia	Software maintenance
Transact Nominees Limited	Ordinary Shares	100%	United Kingdom	Non-trading
IntegraLife UK Limited	Ordinary Shares	100%	United Kingdom	Life insurance
IntegraLife International Limited	Ordinary Shares	100%	Isle of Man	Life assurance
Transact Trustees Limited	Ordinary Shares	100%	United Kingdom	Non-trading
Objective Funds Limited	Ordinary Shares	100%	United Kingdom	Dormant
Objective Wealth Management Limited	Ordinary Shares	100%	United Kingdom	Dormant
Time For Advice Limited	Ordinary Shares	100%	United Kingdom	Financial planning software
Indirect holdings				
IntegraFin Limited	Ordinary Shares	100%	United Kingdom	Non-trading
ObjectMastery (UK) Limited	Ordinary Shares	100%	United Kingdom	Dormant
IntegraFin (Australia) Pty Limited	Ordinary Shares	100%	Australia	Non-trading

The Group has 100% voting rights on shares held in each of the subsidiary undertakings.

All the UK subsidiaries have their registered office address at 29 Clement's Lane, London, EC4N 7AE. ILInt's registered office address is at 18–20 North Quay, Douglas, Isle of Man, IM1 4LE. IntegraFin (Australia) Pty's registered office address is at Level 4, 854 Glenferrie Road, Hawthorn, Victoria, Australia 3122. Integrated Application Development Pty Ltd.'s registered office address is 19–25 Camberwell Road, Melbourne, Australia.

The above subsidiaries have all been included in the financial statements.

16. Loans

This note analyses the loans payable by and receivable to the Company. The carrying amounts of loans are as follows:

Loans receivable

	2024 £m	2023 £m
Loans receivable from third parties	**6.6**	6.5
Interest receivable on loans	**0.2**	0.1
Total gross loans	**6.8**	6.6
ECLs allowance	**(0.3)**	(0.3)
Total net loans	**6.5**	6.3

Movement in the ECLs for the loan is as follows:

	2024 £m	2023 £m
Opening ECLs	**(0.3)**	(0.2)
Increase during the year	**–**	(0.1)
Balance at 30 September	**(0.3)**	(0.3)

The loans receivable are measured at amortised cost with the ECLs charged straight to the Statement of Comprehensive Income.

Loans payable

	2024 £m	2023 £m
Loan payable to subsidiary	**6.0**	7.0
To be settled within 12 months	**1.0**	1.0
To be settled after 12 months	**5.0**	6.0
Total loan payable	**6.0**	7.0

The loan payable was initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. The interest charge is recognised on the Company Statement of Comprehensive Income.

Interest on the loan is paid quarterly, whilst the remaining capital repayments are annual over the next 6 years.

17. Investments held for the benefit of policyholders

	2024 Cost £m	**2024 Fair value £m**	2023 Cost £m	2023 Fair value £m
ILINT	**2,486.7**	**2,873.0**	2,155.5	2,310.3
ILUK	**20,746.4**	**24,364.8**	19,249.9	20,711.4
Total	**23,233.1**	**27,237.8**	21,405.4	23,021.7

All amounts are current as customers are able to make same-day withdrawal of available funds and transfers to third party providers are generally performed within a month.

These assets are held to cover the liabilities for unit-linked investment contracts. All contracts with customers are deemed to be investment contracts and, accordingly, assets are 100% matched to corresponding liabilities.

Notes to the financial statements continued

For the year ended 30 September 2024

18. Liabilities for linked investment contracts

Unit-linked liabilities	2024 Fair value £m	2023 Fair value £m
ILInt	3,110.7	2,481.5
ILUK	25,749.9	21,959.4
Total	**28,860.6**	24,440.9

Analysis of change in liabilities for linked investment contracts

	2024 £m	2023 £m
Opening balance	24,440.9	22,174.4
Investment inflows	3,490.7	2,670.3
Investment outflows	(2,057.2)	(1,400.5)
Changes in fair value of underlying assets	3,005.2	1,024.1
Investment income	279.2	225.1
Other fees and charges – Transact	(65.5)	(59.2)
Other fees and charges – third parties	(232.7)	(193.3)
Closing balance	**28,860.6**	24,440.9

The benefits offered under the unit-linked investment contracts are based on the risk appetite of policyholders and the return on their selected collective fund investments, whose underlying investments include equities, debt securities, property and derivatives. This investment mix is unique to individual policyholders. When the diversified portfolio of all policyholder investments is considered, there is a clear correlation with the FTSE 100 index and other major world indices, providing a meaningful comparison with the return on the investments.

The maturity value of these financial liabilities is determined by the fair value of the linked assets at maturity date. There will be no difference between the carrying amount and the maturity amount at maturity date.

19. Cash and cash equivalents

	2024 £m	2023 £m
Bank balances – instant access	198.1	165.9
Bank balances – notice accounts	46.0	12.0
Total	**244.1**	177.9

Bank balances held in instant access accounts are current and available for use by the Group. All of the bank balances held in notice accounts require less than 35 days' notice before they are available for use by the Group. £67.8 million (2023: £42.7 million) of the total balance is corporate cash held in respect of provisions for policyholder tax that will become payable either to HMRC or returned to policyholders.

20. Cash held for the benefit of policyholders

	2024 £m	2023 £m
Cash and cash equivalents held for the benefit of the policyholders – instant access – ILUK	1,385.0	1,248.0
Cash and cash equivalents held for the benefit of the policyholders – instant access – ILInt	237.8	171.2
Total	**1,622.8**	1,419.2

Cash and cash equivalents held for the benefit of the policyholders are held to cover the liabilities for unit-linked investment contracts. These amounts are 100% matched to corresponding liabilities.

21. Investments

	Group 2024 £m	Group 2023 £m
Fair value through profit or loss		
Listed shares and securities	0.1	0.1
Total	**0.1**	0.1
Amortised cost		
Gilts	2.5	22.3
Total	**2.5**	22.3
	2.6	22.4

The gilts show above are interest bearing and the associated income is referenced in note 9 as "interest on financial investments".

22. Prepayments and accrued income

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Accrued income	**15.1**	**–**	13.5	–
Less: ECLs	**(0.9)**	**–**	(1.0)	–
Accrued income – net	**14.2**	**–**	12.5	–
Prepayments	**4.6**	**–**	4.7	–
Total	**18.8**	**–**	17.2	–

Movement in the ECLs (for accrued income and trade and other receivables) is as follows:

	2024 £m	2023 £m
Opening ECLs	**(1.0)**	(1.0)
Decrease during the year	**0.1**	–
Balance at 30 September	**(0.9)**	(1.0)

23. Trade and other receivables

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Other receivables	**3.0**	**–**	3.2	–
Less: ECLs	**(0.1)**	**–**	(0.1)	–
Other receivables net	**2.9**	**–**	3.1	–
Amounts owed by Group undertakings	**–**	**0.1**	–	0.1
Repayment interest due from HMRC	**–**	**–**	0.4	–
Total	**2.9**	**0.1**	3.6	0.1

Amount due from HMRC is in respect of tax claimed on behalf of policyholders for tax deducted at source.

24. Trade and other payables

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Trade payables	**1.1**	**–**	0.7	–
PAYE and other taxation	**2.1**	**–**	2.6	0.1
Other payables	**8.2**	**0.6**	6.8	0.4
Accruals	**8.8**	**0.7**	7.8	0.4
Deferred consideration	**1.5**	**1.5**	1.6	1.6
Due to Group undertakings	**–**	**0.2**	–	–
Total	**21.7**	**3.0**	19.5	2.5

Other payables mainly comprises £6.5 million (2023: £5.3 million) in relation to bonds awaiting approval.

25. Lease liabilities

	2024 £m	2023 £m
Opening balance	**1.1**	2.8
Additions	**2.6**	0.2
Lease payments	**(1.0)**	(2.0)
Interest expense	**0.2**	0.1
Balance at 30 September	**2.9**	1.1
Amounts falling due within one year	**2.5**	0.3
Amounts falling due after one year	**0.4**	0.8

The Group has various leases in respect of property as a lessee. Lease terms are negotiated on an individual basis and run for a period of one to five years.

The lease extension for the Group's Clement's Lane office was signed in March 2024.

Notes to the financial statements continued

For the year ended 30 September 2024

26. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2023: 20%) on policyholder assets and liabilities and 25% (2023: 25%) on non-policyholder items.

Deferred tax asset	Accelerated capital allowances £m	Share-based payments £m	Policyholder unrealised losses/ (unrealised gains) £m	Policyholder excess management expenses and deferred acquisition costs £m	Policyholder unrealised losses/ (unrealised gains) on investment trusts £m	Other deductible temporary differences £m	Total £m
At 1 October 2022	0.1	0.5	2.9	2.2	0.2	0.1	6.0
Excess tax relief charged to equity	–	0.2	–	–	–	–	0.2
Charge to income	–	(0.2)	(2.9)	0.3	0.4	0.1	(2.3)
Offset deferred tax liability	–	–	–	(2.5)	(0.6)	(0.1)	(3.2)
At 30 September 2023	0.1	0.5	–	–	–	0.1	0.7
Charge to income	–	0.5	–	(1.5)	(0.8)	–	(1.8)
Offset deferred tax liability	(0.1)	–	–	1.5	0.8	–	2.2
At 30 September 2024	**–**	**1.0**	**–**	**–**	**–**	**0.1**	**1.1**

Deferred tax liability	Accelerated capital allowances £m	Policyholder tax on unrealised gains £m	Other taxable differences £m	Total £m
At 1 October 2022	–	–	0.9	0.9
Charge to income	–	9.6	(0.1)	9.5
Offset against deferred tax asset	–	(3.1)	(0.1)	(3.2)
At 30 September 2023	–	6.5	0.7	7.2
Charge to income	0.1	20.6	(0.1)	20.6
Offset against deferred tax asset	(0.1)	2.3	–	2.2
At 30 September 2024	**–**	**29.4**	**0.6**	**30.0**

The Company has no deferred tax assets or liabilities.

27. Provisions – Group

	2024 £m	2023 £m
Balance brought forward	**48.2**	56.8
Additional provisions made in the period, including increases to existing ILUK provision	**7.1**	5.3
Reduction in provisions made in the period	**(7.6)**	(3.5)
Amounts used from the ILUK provision during the period	**(7.1)**	(9.9)
Unused amounts reversed from the ILUK provision during the period	**(1.5)**	(1.6)
Increase in other provisions	**0.6**	1.1
Balance carried forward	**39.7**	48.2
Amounts falling due within one year	**23.3**	7.7
Amounts falling due after one year	**16.4**	40.5
Dilapidations provisions	**0.2**	0.2
ILUK policyholder reserves	**37.8**	46.9
Other provisions	**1.7**	1.1
Total	**39.7**	48.2

ILUK policyholder reserve comprises claims received from HMRC that are yet to be returned to policyholders, charges taken from unit-linked funds and claims received from HMRC to meet current and future policyholder tax obligations. These are expected to be paid to policyholders over the course of the next seven years.

28. Share-based payments

Share-based payment reserve

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Balance brought forward	**3.4**	**2.7**	2.6	2.2
Movement in the year	**0.7**	**0.7**	0.8	0.5
Balance carried forward	**4.1**	**3.4**	3.4	2.7

Share schemes

(i) SIP 2005

IFAL implemented a SIP trust scheme for its staff in October 2005. The SIP is an approved scheme under Schedule 2 of the Income Tax (Earnings & Pensions) Act 2003.

This scheme entitled all the staff who were employed in October 2005 to Class C shares in IFAL, subject to their remaining in employment with the Company until certain future dates.

The Trustee for this scheme is IntegraFin Limited, a wholly owned non-trading subsidiary of IFAL.

Shares issued under the SIP may not be sold until the earlier of three years after issue or cessation of employment by the Group. If the shares are held for five years, they may be sold free of income tax or capital gains tax. There are no other vesting conditions.

The cost to the Group in the financial year to 30 September 2024 was £nil (2023: £nil). There have been no new share options granted.

(ii) SIP 2018

The Company implemented an annual SIP awards scheme in January 2019. This is an approved scheme under Schedule 2 of the Income Tax (Earnings & Pensions) Act 2003 and entitles all eligible employees to Ordinary Shares in the Company. The shares are held in a UK trust.

The scheme includes the following awards:

Free Shares

The Company may give Free Shares up to a maximum value, calculated at the date of the award of such Free Shares, of £3,600 per employee in a tax year.

The share awards are made by the Company each year, dependent on 12 months, continuous service on 30 September. The cost to the Group in the financial year to 30 September 2024 was £0.9 million (2023: £0.8 million).

Partnership and Matching Shares

The Company provides employees with the opportunity to enter into an agreement with the Company to enable such employees to use part of their pre-tax salary to acquire Partnership Shares. If employees acquire Partnership Shares, the board grants relevant Matching Shares at a ratio of 2:1.

The cost to the Group in the financial year to 30 September 2024 was £0.5 million (2023: £0.5 million).

(iii) Deferred bonus Share Option Plan

The Company implemented an annual deferred bonus Share Option Plan in December 2018. Awards granted under this plan take the form of options to acquire Ordinary Shares for nil consideration. These are awarded to Executive Directors, Senior Managers and other employees of any Group Company, as determined by the Remuneration Committee.

The exercise of the awards is conditional upon the achievement of a performance condition set at the time of grant and measured over a three-year performance period.

The cost to the Group in the financial year to 30 September 2024 was £0.8 million (2023: £0.9 million). This is based on the fair value of the share options at grant date, rather than on the purchase cost of shares held in the EBT reserve, in line with IFRS 2 Share-based Payment.

Details of the movements in the share scheme during the year are as follows:

	2024 Weighted average exercise price (pence)	2024 Shares (number)	2023 Weighted average exercise price (pence)	2023 Shares (number)
SIP 2005				
Outstanding at start of the year	**–**	**762,705**	–	805,509
Shares withdrawn from the plan	**–**	**(101,955)**	–	(42,804)
Shares in the plan at end of year	**–**	**660,750**	–	762,705
Available to withdraw from the plan at end of year	**–**	**660,750**	–	762,705

The weighted average share price at the date of withdrawal for shares withdrawn from the plan during the year was 281.1 pence (2023: 273.1 pence).

At 30 September 2024 the exercise price was £nil as they were all nil cost options.

Notes to the financial statements continued

For the year ended 30 September 2024

28. Share-based payments continued

Share schemes continued

(iii) Deferred bonus Share Option Plan continued

Details of the share awards outstanding are as follows:

	2024 Shares (number)	2023 Shares (number)
SIP 2018		
Shares in the plan at start of the year	1,205,612	854,247
Granted	554,178	504,113
Shares withdrawn from the plan	(167,217)	(152,748)
Shares in the plan at end of year	1,592,573	1,205,612
Available to withdraw from the plan at end of year	678,656	557,544

	2024 Weighted average exercise price (pence)	2024 Share options (number)	2023 Weighted average exercise price (pence)	2023 Share options (number)
Deferred bonus Share Option Plan				
Outstanding at start of the year	–	899,664	–	675,307
Granted	–	386,145	–	293,376
Forfeited	–	–	–	–
Exercised	–	(41,673)	–	(69,019)
Outstanding at end of year	–	1,244,136	–	899,664
Exercisable at end of year	–	337,654	–	249,985

The fair value of options granted during the year has been estimated using the Black-Scholes model. The principal assumptions used in the calculation were as follows:

	2024	2024 Additional Grant	2023
Deferred bonus Share Option Plan			
Share price at date of grant	299.4p	293.0p	287.8p
Exercise price	nil	nil	nil
Expected life	3 years	3 years	3 years
Risk free rate	3.7%	3.7%	3.5%
Dividend yield	3.4%	3.5%	3.5%
Weighted average fair value per option	270.3p	263.9p	258.8p

The additional grant relates to shares provided as part of a one-off compensation arrangement.

29. EBT reserve

Group:

	2024 £m	2023 £m
Balance brought forward	**(2.6)**	(2.4)
Purchase of own shares	**(0.7)**	(0.2)
Balance carried forward	**(3.3)**	(2.6)

Company:

	2024 £m	2023 £m
Balance brought forward	**(2.4)**	(2.1)
Purchase of own shares	**(0.6)**	(0.3)
Balance carried forward	**(3.0)**	(2.4)

The EBT was settled by the Company pursuant to a trust deed entered into between the Company and Intertrust Employee Benefit Trustee Limited (the 'Trustee'). The Company has the power to remove the Trustee and appoint a new trustee. The EBT is a discretionary settlement and is used to satisfy awards made under the Deferred bonus Share Option Plan.

The Trustee purchases existing Ordinary Shares in the market, and the amount held in the EBT reserve represents the purchase cost of IHP shares held to satisfy options awarded under the Deferred bonus Share Option Plan. IHP is considered to be the sponsoring entity of the EBT, and the assets and liabilities of the EBT are therefore recognised as those of IHP. Shares held in the trust are treated as own shares and shown as a deduction from equity.

30. Other reserves – Group

	2024 £m	2023 £m
Foreign exchange reserves	**(0.1)**	(0.1)
Non-distributable merger reserve	**5.7**	5.7

Foreign exchange reserves are gains/losses arising on retranslating the net assets of IAD Pty into sterling.

Non-distributable reserves relate to the non-distributable merger reserve held by one of the Company's subsidiaries, IFAL, which is classified within other reserves on a Group level.

Notes to the financial statements continued

For the year ended 30 September 2024

31. Related parties

Transactions with Group companies

During the year the Company entered into the following transactions with related parties within the Group:

	2024 £m	2023 £m
Service charges	(3.3)	–
Interest expense	(0.6)	(0.6)
Dividends received	60.5	33.4
Share subscription (see note 15)	(15.0)	–

At the year end the Company had the following intra-Group payables outstanding:

	2024 £m	2023 £m
ISL	0.1	–
ILUK	6.0	5.0

The amount owed to ILUK relates to a loan of £10 million issued in FY21, with interest charged at a commercial rate. The Company is paying the loan off over ten years and made its annual payment of £1 million, plus accrued interest, during the year. The loan balance at year end was £6 million.

All transactions with fellow Group companies are provided on an arm's length basis.

Other than as disclosed below regarding the subsidiary audit exemption, the Group has not been given or received any guarantees during 2024 or 2023 regarding related party transactions.

Subsidiary Audit Exemptions

In accordance with section 479A of the Companies Act 2006, IHP, has guaranteed the liabilities of the following subsidiary undertaking for the financial year ended 30 September 2024:

IntegraFin Limited (IL)
Company Registration Number: 03756516

As a result, IL is exempt from the requirement to have its accounts audited under the provisions of section 479A.

IHP confirms that it has issued a guarantee under section 479C of the Companies Act 2006 in respect of all outstanding liabilities of these subsidiaries as at the end of the financial year.

Transactions with key management personnel

Payments to key management personnel, defined as members of the IHP board of directors, are shown in the Remuneration Report. Key management personnel of the Company received a total of £3.6 million (2023: £3.6 million) in dividends during the year and benefited from staff discounts for using the platform of £4k (2023: £4k). The number of IHP shares held at the end of the year by key management personnel was 34,450,505 (2023: 35,321,348), an decrease of 870,843 (2023: increase 132,224) from last year.

Schrodinger Pty Ltd, the company which leases office space to IAD Pty in Melbourne, Australia, is considered a related party of the Company, as Michael Howard has control or joint control of Schrodinger and is a member of the key management personnel (as a director) of the Company. During the year IAD Pty paid Schrodinger £0.3 million (FY23: £0.3 million) in relation to the lease. The lease has been in place since April 2012 and was last renewed in May 2021.

ObjectMastery Services Pty Ltd (OM) provides the service of executive directors consultancy services to IAD Pty, and IAD Pty provides consultancy and book-keeping services to OM. OM is considered a related party of the Company, as Michael Howard has control or joint control of it. IAD Pty paid OM £68k (FY23: £71k) for services received during the year, £42k (FY23: £44k) of which related to Michael Howard's services. IAD Pty received £45k (FY23: £43k) from OM for services provided during the year. IAD owed £1k to OM as at 30 September 2024 (30 September 2023: £2k).

All of the above transactions are commercial transactions undertaken in the normal course of business.

32. Contingent liability

There are some assets in ILUK policyholder linked funds which are under review. Our current best estimate of possible future outflow, in the event of remediation, is £2.4 million (2023: £1.2 million). A future outflow is possible but not probable and the timing of any outflow is uncertain. Accordingly, no provision for any liability has been made in these financial statements.

33. Events after the reporting date

As per the Chair's Statement on pages 2 and 3, a second interim dividend of 7.2 pence per share was declared on 17 December 2024. This dividend has not been accrued in the Consolidated Statement of Financial Position.

34. Dividends

During the year to 30 September 2024 the Company paid interim dividends of £33.7 million (2023: £33.7 million) to shareholders. The Company received dividends from subsidiaries of £40.6 million (2023: £33.4 million).

Directors, Company details, advisers

Executive directors

Michael Howard

Alexander Scott

Jonathan Gunby
(Resigned on 30 September 2024)

Euan Marshall

Non-executive directors

Richard Cranfield

Christopher Munro
(Retired on 15 July 2024)

Rita Dhut

Caroline Banszky

Victoria Cochrane

Robert Lister

Company Secretary

Helen Wakeford

Independent auditor

Ernst and Young LLP, 25 Churchill Place,
Canary Wharf, London E14 5EY

Solicitors

Eversheds Sutherland (International LLP),
One Wood Street, London EC2V 7WS

Corporate advisers

Peel Hunt LLP, 7th Floor 100 Liverpool Street,
London EC2M 2AT

Barclays Bank PLC, 1 Churchill Place,
Canary Wharf, London E14 5HP

Principal bankers

National Westminster Bank Plc,
250 Bishopsgate, London EC2M 4AA

Registrars

Equiniti Group plc, Sutherland House,
Russell Way, Crawley, West Sussex RH10 1UH

Registered office

29 Clement's Lane, London EC4N 7AE

Investor relations

Luke Carrivick 0207 608 5463

Website

www.integrafin.co.uk

Company number

8860879

Glossary of terms

AGM	Annual General Meeting
API	Application Programming Interface
APM	Alternative performance measure
ARC	Audit and Risk Committee
CASS	Client Assets Sourcebook
CEO	Chief Executive Officer
CFD	Climate-related Financial Disclosures
CFO	Chief Financial Officer
CGUs	Cash generating units
CIP	Combined Incentive Plan
CISI	Chartered Institute for Securities & Investment
CRM	Client Relationship Management
CRO	Chief Risk Officer
DE&I	Diversity, equity and inclusion
DRP	Directors' Remuneration Policy
DTR	Disclosure Guidance and Transparency Rules sourcebook
EBT	Employee Benefit Trust
ECLs	Expected credit losses
EPS	Earnings per share
ESG	Environmental, social and governance
ESS	Environmental and social sustainability
ExCo	Executive Committee
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FSB	Financial Stability Board
FSCS	Financial Services Compensation Scheme
FUD	Funds under direction
GHG	Greenhouse gas
GIA	General investment account
GRI Standards	Global Reporting Initiative Standards
Gross inflow	Gross new business onto the platform
HMRC	His Majesty's Revenue and Customs
IAD	Integrated Application Development Pty Ltd
IASB	International Accounting Standards Board
ICARA	Internal Capital Adequacy and Risk Assessment
ICO	Information Commissioner's Office
IFA	Independent Financial Adviser
IFAL	Integrated Financial Arrangements Ltd
IFPR	Investment Firms Prudential Regime
IFRS	International Financial Reporting Standards
IHP	IntegraFin Holdings Plc
ILInt	IntegraLife International Limited
ILUK	IntegraLife UK Limited
IoM FSA	Isle of Man Financial Services Authority
IPCC	Intergovernmental Panel on Climate Change
ISA	Individual Savings Account
ISAs (UK)	International Standards on Auditing (UK)
ISL	IntegraFin Services LTD
KPI	Key Performance Indicator
LTIP	Long-Term Incentive Plan
MPMs	Management-defined performance measures
Net inflow	Net new business onto the platform
NDCs	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
NomCo	Nomination Committee
OEICs	Open-ended investment companies
OM	ObjectMastery Services Pty Limited
ORSA	Own Risk and Solvency Assessment
Outflow	Business leaving the platform
PBT	Profit before tax
PFS	Personal Finance Society
PRA	Prudential Regulation Authority
RCP	Representative Concentration Pathway
RCSA	Risk and control self-assessment
RemCo	Remuneration Committee
RMF/RMP	Risk management framework/policy
SCR	Solvency capital requirement
SECR	Streamlined Energy and Carbon Reporting
SID	Senior Independent Director
SIP	Share Incentive Plan
SIPP	Self-Invested Personal Pension
T4A	Time For Advice
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
The Company	IntegraFin Holdings plc
The Group	IntegraFin Holdings plc and its subsidiaries
UN SDGs	United Nations Sustainable Development Goals

Glossary of alternative performance measures (APMs)

Various APMs are referred to in the Annual Report, which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided below.

APM	Financial data page reference	Definition and purpose

Operational performance measures

FUD — Data sourced internally

Calculated as the total market value of all cash and assets on the platform, valued as at the respective year end.

Year end	2024 £bn	2023 £bn
Cash	**5.1**	3.9
Assets	**59.0**	51.1
FUD	**64.1**	55.0
% change on the previous year	**17%**	10%

Average daily FUD	2024 £bn	2023 £bn
Cash	**4.6**	3.5
Assets	**55.0**	50.1
FUD	**59.6**	53.6
% change on the previous year	**11%**	3%

The measurement of FUD is the primary driver of the largest component of the Group's revenue. FUD is used to derive the annual charge due to the Group.

These values are not reported within the financial statements or the accompanying notes.

Gross inflows and Net inflows — Data sourced internally

Calculated as gross inflows onto the platform less outflows leaving the platform by clients during the respective financial year.

Inflows and outflows are measured as the total market value of assets and cash joining or leaving the platform.

	2024 £bn	2023 £bn
Gross inflows	**8.1**	6.4
Outflows	**5.6**	3.7
Net inflows	**2.5**	2.7
% change on the previous year	**(7%)**	(40%)

The measurement of net inflows onto the platform shows the net movement of cash and assets on the platform during the year. This directly contributes to FUD and therefore revenue.

These values are not reported within the financial statements or the accompanying notes.

Adviser and platform client numbers — Data sourced internally

Calculated as the total number of advisers or clients as at the financial year end.

Advisers are calculated as the registered number of advisers on the platform.

Clients are calculated as the total number of clients on the platform.

CURO licence users calculated as the total number of chargeable core licence users active on the CURO platform.

	2024	2023
Advisers	**8,048**	7,683
% increase	**5%**	2%
Clients	**234,998**	230,294
% increase	**2%**	2%
CURO licence users	**3,098**	2,752
% increase	**13%**	22%

This measurement is an indicator of our presence in the market.

These values are not reported within the financial statements or the accompanying notes.

Glossary of alternative performance measures (APMs) continued

APM | **Financial data page reference** | **Definition and purpose**

Operational performance measures continued

Client retention

Data sourced internally

Calculated as the total number of clients with a non-zero valuation present in the final month of both financial periods, as a percentage of total clients in the current financial period.

	2024	2023
Client retention	**94%**	95%

This is a measurement of client loyalty and an indicator of customer satisfaction with our services provided.

These values are not reported within the financial statements or the accompanying notes.

Income statement measures

Non-underlying expenses

Consolidated Statement of Comprehensive Income

Page 107

Calculated as costs which have been incurred outside of the ordinary course of the business.

Non-underlying expenses	**2024 £m**	2023 £m
VAT costs	**(0.1)**	–
VAT interest	**(0.4)**	–
Deferred consideration	**2.1**	2.1
Contingent consideration	**–**	(1.7)
Office move	**(0.1)**	–
Non-underlying expenses	**1.7**	0.4

Our non-underlying expenses represent costs which do not relate to our recurring business operations and hence should be separated from operating expenses in the income statement.

Other costs consist of post-combination remuneration. Post-combination remuneration relates to the payment to the original shareholders of T4A. This is comprised of the deferred and additional consideration payable in relation to the acquisition of T4A and is recognised as remuneration over four years from January 2021 to December 2024.

Underlying EPS

Financial Review

Pages 38 to 42

Calculated as profit after tax net of non-underlying expenses, divided by called up equity share capital.

	2024 £m	2023 £m
Profit after tax	**52.1**	49.9
Non-underlying expenses	**1.7**	0.4
Underlying profit after tax	**53.8**	50.3
Divide by: called up equity share capital	**3.3**	3.3
Underlying EPS – diluted	**16.2p**	15.2p

Underlying PBT

Financial Review

Pages 38 to 42

Calculated as PBT net of non-underlying expenses.

	2024 £m	2023 £m
PBT	**68.9**	62.6
Add: Non-underlying expenses	**1.7**	0.4
Underlying PBT	**70.6**	63.0

Platform revenue margin

Financial Review

Pages 38 to 42

Calculated as platform revenue divided by average daily FUD for the year.

	2024	2023
Platform revenue (£m)	**140.0**	130.2
Divide by: average daily FUD (£bn)	**59.57**	53.64
Revenue margin (bps)	**23.5**	24.3

APM	Financial data page reference	Definition and purpose
PBT margin	Financial Review Pages 38 to 42	Calculated as PBT divided by revenue.

	2024 £m	2023 £m
PBT	**68.9**	62.6
Divide by: revenue	**144.9**	134.9
Underlying PBT	**48%**	46%

Cash flow measures

APM	Financial data page reference	Definition and purpose
Shareholder returns	Consolidated Statement of Comprehensive Income Page 107	Calculated as dividend per share paid to shareholders, which relate to the respective financial years.

	2024	2023
First interim dividend	**3.2p**	3.2p
Second interim dividend	**7.2p**	7.0p
Shareholder returns	**10.4p**	10.2p
% increase on previous financial year	**2.0%**	0.0%

There are generally two dividend payments made relating to each financial year. Shareholder returns is a measurement of the total cash dividend received by each shareholder for each individual share held by them.

APM	Financial data page reference	Definition and purpose
Dividend policy	Consolidated Statement of Comprehensive Income Page 107	Calculated as total cash dividends paid in relation to the respective financial year, divided by the post-tax profit relating to that same financial year.

	2024 £m	2023 £m
Total cash dividends paid	**34.5**	33.7
Profit for the financial year	**52.1**	49.9
Dividends as a % of profit	**66%**	68%

Our policy is to pay approximately 60% to 65% of full-year profit after tax as two interim dividends.

Delivery on dividend policy is a measurement of the ability of the business to generate distributable profits.

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